

**SALEM COUNTY  
VOCATIONAL TECHNICAL  
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Salem County Vocational Technical Board of Education**

**Woodstown, New Jersey**

**For the Fiscal Year Ended June 30, 2012**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**Salem County Vocational Technical  
Board of Education**

**Woodstown, New Jersey**

**For the Fiscal Year Ended June 30, 2012**

**Prepared by**

**Salem County Vocational Technical School  
Business Office**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
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## **INTRODUCTORY SECTION**

*Salem County*

# ***Vocational Technical Schools***

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**Fax. (856) 769-3602**

**Office of the Business Administrator**  
**880 Route 45**  
**Box 350 Woodstown, NJ 08098-0350**

**Loren D. Thomas**  
**Superintendent**

**Melanie M. Allen**  
**Business Administrator**

November 19, 2012

Honorable President and  
Members of the Board of Education  
Salem County Vocational Technical School District  
County of Salem, New Jersey

The comprehensive annual financial report of the Salem County Vocational Technical School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the final position and results of operations of the various funds and the account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit information. The introductory section includes this transmittal letter, Management's Discussion and Analysis (MD&A), the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996; the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Salem County Vocational Technical School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Salem County Vocational Technical Board of Education and all its schools constitute the District's reporting entity.

2. The Salem County Vocational Technical School District is one of the 21 county vocational-technical schools in New Jersey. A list of services provided follows:

A. Full/Shared-time Career and Technical Education

Air Force Junior ROTC (Military Science)  
Allied Health Professionals  
Auto Collision Technology  
Automotive Technology  
Child Care and Early Childhood Education  
Computer Assisted Design and Drafting  
Construction Technology  
Cosmetology  
Culinary Arts  
Electrical Technology  
Graphics Technology  
Information Technology: Computer Hardware and Software  
Law Enforcement and Public Safety  
Welding

B. Salem County Arts, Science and Technology Academies

Academy of Biological and Medical Science at the Salem County Career and Technical High School  
Academy for Energy Applications at the Salem County Career and Technical High School  
Academy of Creative and Performing Arts  
    Vocal Music – Hosted at Pennsville High School  
    Dance – Hosted at Schalick High School  
    Drama – Hosted at Schalick High School  
    Instrumental Music – Hosted at Pennsville High School  
    Visual Arts – Hosted at Schalick High School  
Academy of Culinary Arts and Hospitality at the Career and Technical High School  
Academy of Engineering and Technology – Hosted at Penns Grover High School  
Academy of Communications and Information Technology – Hosted at Pennsville High School

C. Special Needs Programs

Career Orientation  
New Jersey Regional Day School at Mannington

2. **ECONOMIC CONDITION AND OUTLOOK:**

Employment in the Salem County Area has experienced modest growth with the expansion of the Pureland Industrial Complex. Lack of transportation for individuals seeking employment continues to be a barrier.

With the relatively high cost of homes in New Jersey, the county's inventory of undeveloped land has become more attractive for housing development, which could lead to an increase in construction employment. The county has experience a population growth of 3.59% since 2000.

## **MAJOR INITIATIVES:**

The 2011-2012 school year saw major changes continuing to evolve in the organization and structure in the SCVTS District. Just as the 2008-2009 fiscal year was coming to an end, the Salem County Freeholders by resolution dissolved the Salem County Vocational Technical School Board of Education as well as the Salem County Special Services School District Board of Education and created one new board to oversee both districts. Beginning on July 1, 2009 both districts are under the auspices of "The Board of Education for the Special Services School District and the Vocational School District of the County of Salem." The 2011-2012 school year saw more sharing services, more sharing staff and the development of more joint programs.

As a direct result of the Board merger, the SCVTS now has its own Child Study Team. The CST was able to provide support to both the individual students and to the staff of the Career and Technical High School. The CTHS served students with special needs in its Career Orientation program as well as integrated into many of its CTE programs. The Career Orientation program serves the needs of special education students who would not have been ordinarily accepted into CTE programs. This provides both an introduction to CTE Degrees and academic and social support.

The Child Care Program has undergone a complete curriculum revision and saw significant growth in the number of students. The program is now aligned with NAYEC standards; the teacher is appropriately certified both in Early Childhood Education and as a high school teacher. SCVTS students began regular involvement with preschool children. As the district looks to the future, the plan is to incorporate a preschool that will operate in accordance with developmentally appropriate practices that will both serve the needs of the community and be a "lab school" for students in the Child Care program.

The district provides leadership for the Adult Basic Education (ABE) and GED training and testing for both Cumberland and Salem centers. SCVTS now serves as the LEA for this program and continues to operate its own programs at SCVTS in the County Correctional Facility.

Perhaps the most significant accomplishment of the year was the continued growth of the CTHS. The incoming full-time freshman class was 105, the largest class in the history of the district. The CTHS has grown significantly in each of the last four years. We anticipate continued growth as we look to the future.

Other CTE Programs continued as they were. The district is pleased with the results of many of the more traditional shop-type classes. For example, 100% of welding graduates left SCVTS into full time employment. Several students from the welding program competed nationally in the SKILLS USA competition. The Electrical and Building Trades CTE programs have started exploring including more green technology and green building techniques into the programs.

The major initiative regarding the physical plant was begun during the 2009-2010 fiscal year was completed in 2012. The district has contracted with Johnson Controls to do a major Energy Savings Improvement Project. Utilizing a relatively new law that allows for such project to be funded by a 15 year lease purchase, the district is making significant changes to the HVAC system, the boilers, and other energy savings measures. The total cost of the project is \$3.2 million. And, the anticipated savings in energy costs over the life of the lease exceeds that by over \$500,000.

4. **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with the generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates. Annual appropriated budgets are adopted for the general fund and the special revenue fund and the debt service fund. The final budget amount as amended for fiscal year 2012 is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

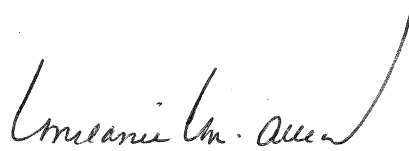
6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to Financial Statements", Note 2.
7. **CASH MANAGEMENT:** The investment procedure of the District is guided in large part by state statute as detailed in "Notes to the Financial Statement", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. **RISK MANAGEMENT:** The Board participated in Gloucester, Cumberland, and Salem School Districts Joint Insurance Fund and carries various forms of insurance, including, but not limited to, commercial general liability, commercial catastrophic liability and comprehensive/collision, commercial property on all property and contents, commercial inland marine, school board legal liability, worker's compensation and fidelity bonds.

9. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of Nightlinger, Colavita & Volpa, P.A. was selected by the Board's audit committee. In addition to meeting the requirements set forth in the state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and supplementary schedules of expenditures of federal awards and state financial assistance is included in the financial section of this report.
10. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Special Services School District and Vocational School District of the County of Salem for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby continuing their full support to the development and maintenance of our financial operation. The presentation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

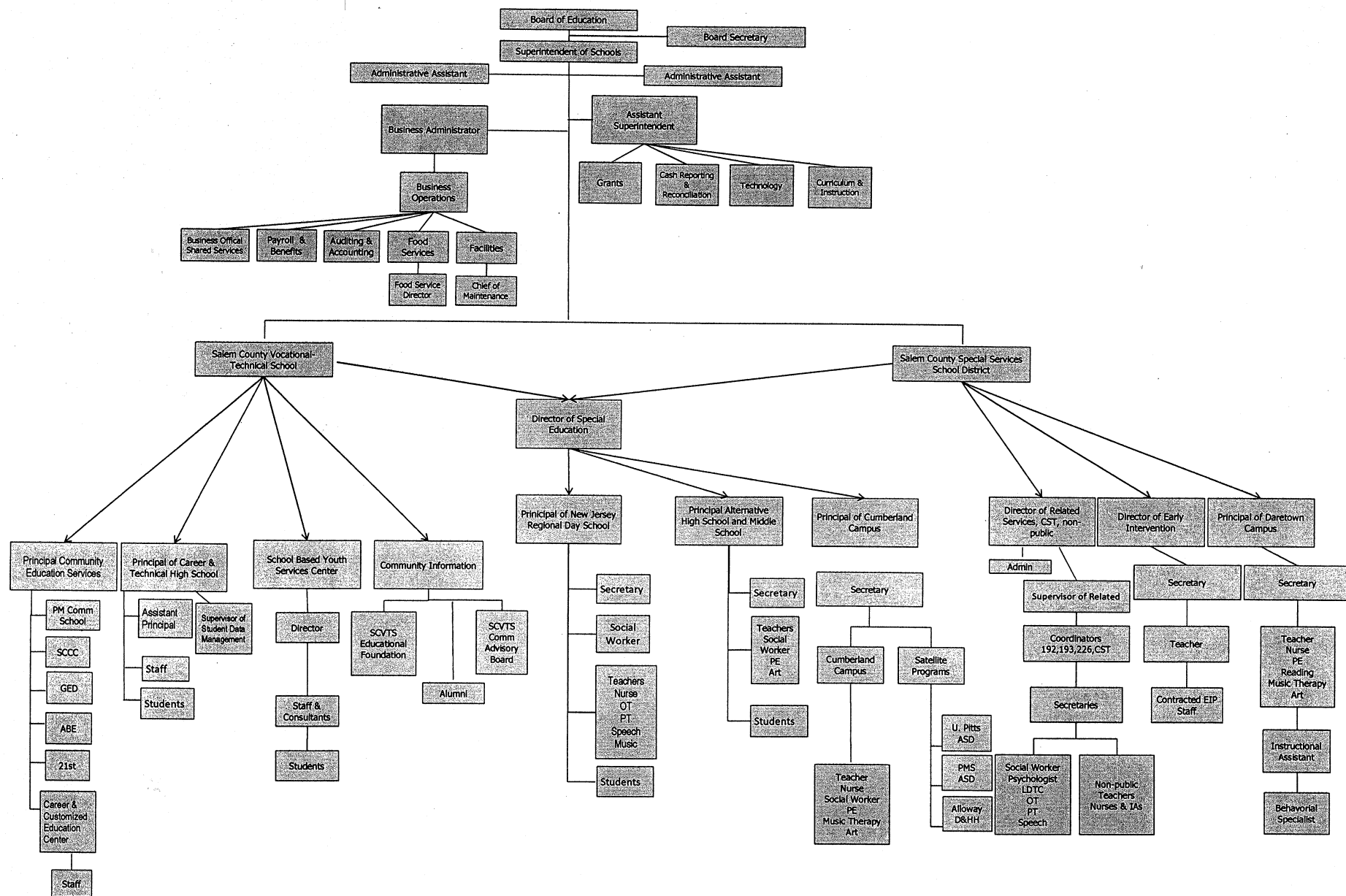


Loren D. Thomas  
Superintendent of Schools



Melanie M. Allen  
Business Administrator

# Administrative Organizational Chart





**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**WOODSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2012**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Dr. James Field, President (To 5/8/12)	2012
David Moffett (From 5/8/12)	2015
Mary Cummings	2015
James Davis	2014
Nicole Stemberger, ex officio	2014
Patricia Bomba	2013
Earl Ransome	2013
Robert Bumpus - Executive County Superintendent of Schools	2012

**OTHER OFFICIALS**

Loren Thomas, Ed.D., Superintendent

Shay E. Richardson, Assistant Superintendent

Melanie Allen, Board Secretary/Business Administrator

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Raymond Colavita, CPA, RMA  
Nightlinger, Colavita and Volpa, P.A.  
P.O. Box 799  
Williamstown, New Jersey 08094

**BROKER OF RECORD**

Gloucester, Cumberland, Salem School Districts  
Joint Insurance Fund

**MEDICAL INSPECTOR**

Woodstown Family Practice  
Woodstown, NJ

**OFFICIAL DEPOSITORY**

The Bank  
1 South Main Street  
Woodstown, New Jersey 08098

**SOLICITOR**

Mark Toscano, Esq.  
Comegno Law Group, P.C.  
521 Pleasant Valley Avenue  
Moorestown, New Jersey 08057

## **FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
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November 19 2012

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Salem County Vocational Technical School District  
County of Salem, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Salem County Vocational Technical School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Salem County Vocational Technical School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Salem County Vocational Technical Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Salem County Vocational Technical Board of Education in the County of Salem, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

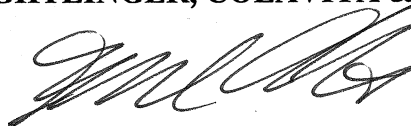
In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2012 on our consideration of the Salem County Vocational Technical Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governments Auditing Standard and should be considering in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 17 and 54 through 57 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Salem County Vocational Technical Board of Education's financial statements as a whole. The introductory section, combining fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedules of federal awards and state assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United states of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

The Management's Discussion and Analysis (MD&A) of Salem County Vocational Technical School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performances as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key highlights for the fiscal year ended June 30, 2012 are as follows:

- The School District had \$12,412,889 in expenses; \$5,182,934 of these expenses were offset by program specific charges for services, and operating grants and contributions.
- The total assets of the School District exceeded its total liabilities by \$9,312,590 (net assets).
- Among major funds, the General Fund had \$7,643,502 in revenues and \$7,663,594 in expenditures.

**Overview of the Financial Statements**

The financial section of this annual report consists of two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II that contains required supplementary information that further explains and supports the information in the financial statements including: budget schedules, reconciliations and individual fund statements.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Cont'd)**

**Reporting the School District as a Whole**

**Statement of Net Assets and the Statement of Activities**

The Statement of Net Assets and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental and business – type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund and the Capital Projects Fund; the School District has no Debt Service Fund or Permanent Fund.

**Governmental Funds**

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting; which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Cont'd)**

**The School District as a Whole**

The Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for the fiscal years ended June 30, 2012 and 2011.

**Table 1  
Net Assets**

	<u>6/30/2012</u>	<u>6/30/2011</u>
<b>Assets</b>		
Current and Other Assets	\$ 1,373,713	\$ 2,269,458
Capital Assets	11,628,046	11,625,298
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 13,001,759</u>	<u>\$ 13,894,756</u>
	<u>                    </u>	<u>                    </u>
<b>Liabilities</b>		
Long-Term Liabilities	\$ 3,134,910	\$ 3,286,843
Other Liabilities	554,259	588,739
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>\$ 3,689,169</u>	<u>\$ 3,875,582</u>
	<u>                    </u>	<u>                    </u>
<b>Net Assets</b>		
Invested in Capital Assets Net of Related Debt	\$ 8,621,826	\$ 8,520,258
Restricted	420,919	1,458,568
Unrestricted	269,845	40,349
	<u>                    </u>	<u>                    </u>
Total Net Assets	<u>\$ 9,312,590</u>	<u>\$ 10,019,174</u>
	<u>                    </u>	<u>                    </u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Cont'd)**

Table 2 shows a summary of changes in net assets for fiscal years ended June 30, 2012 and 2011.

<b>Table 2 Changes in Net Assets</b>		
	<u>6/30/2012</u>	<u>6/30/2011</u>
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 2,838,100	\$ 2,275,157
Operating Grants & Contributions	2,344,834	1,999,063
General Revenues		
County of Salem Budget Appropriation	1,792,900	1,792,900
Federal and State Grants Unrestricted	4,567,036	4,344,679
Federal and State Grants Restricted		
Miscellaneous Income	163,434	45,082
Capital Outlay Contribution		4,584
<b>Total Revenues</b>	<u><u>\$ 11,706,304</u></u>	<u><u>\$ 10,461,465</u></u>
<b>Expenses</b>		
Instruction		
Regular	\$ 1,859,555	\$ 1,650,755
Vocational	2,754,285	2,796,045
School Sponsored Co curricular	24,173	39,236
Student Services		
Attendance & Social Work	68,539	64,152
Health Services	54,825	53,618
Students - Regular	1,053,612	986,591
Improvement of Instruction Services	164,186	115,507
Educational Media/School Library	157,649	151,945
General Administration	291,309	214,512
School Administration	248,180	237,117
Central Services	382,718	444,854
Operation and Maintenance of Plant	953,433	995,817
Student Transportation Services	14,358	13,352
Unallocated Benefits	1,610,748	1,492,726
Unallocated Depreciation	617,132	281,135
<b>Total Governmental Activities</b>	<u><u>\$ 10,254,702</u></u>	<u><u>\$ 9,537,364</u></u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Cont'd)**

**Table 2  
Changes in Net Assets Continued**

	<u>6/30/2012</u>	<u>6/30/2011</u>
Food Service	\$ 184,435	\$ 176,170
Regional Day School	1,353,544	1,444,478
Summer Enrichment Program	120,662	92,092
BCCEC/ETTC	162,525	97,998
Transitional Production Workshop	841	
Consolidated Services	271,096	309,380
The Learning Center	65,084	60,529
Total Expense Business-Type	<u>\$ 2,158,187</u>	<u>\$ 2,180,647</u>
Total Expenses	12,412,889	11,718,011
Increase (Decrease) in Net Assets	(706,585)	(1,256,545)
Beginning Net Assets	10,019,174	11,275,720
Ending Net Assets	<u>\$ 9,312,589</u>	<u>\$ 10,019,174</u>

**Governmental Activities**

In 2011-2012 Governmental-Type Activities revenues were \$9,446,263 or 80.69% of total revenues.

In 2010-2011 Governmental-Type Activities revenues were \$8,517,493 or 81.42% of total revenues.

In 2011-2012 the County of Salem Budget Appropriation made up 18.98% of Governmental-Type Activities revenue. In 2010-2011 the County of Salem Budget Appropriation made up 21.05% of Governmental-Type Activities revenue.

In 2011-2012 Federal and State Aid unrestricted revenue made up 48.35% of Governmental-Type Activities revenue. In 2010-2011 Federal and State Aid unrestricted revenue made 51.01% of Governmental-Type Activities revenue.

Governmental-Type Activities expenditures increased by \$129,311 from 10-11 to 11-12, a 1.8% increase.

On-behalf pension contributions from the state increased by \$92,523 from 10-11 to 11-12.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Cont'd)**

**Business-Type Activities**

In 2011-2012 Business-Type Activities revenues were \$2,259,916 or 19.3% of total revenues. In 2010-2011 Business-Type Activities revenues were \$1,939,230 or 18.54% of total revenues.

Charges for Services for Business-Type Activities were \$2,183,564 in 2011-2012 compared to \$1,870,418 in 2010-2011, a 16.7% increase. This increase was planned.

Expenses for Business-Type Activities were \$2,158,187 in 2011-2012 compared to \$2,180,647 in 2010-2011, or a decrease of \$22,460 that translates to a 1% decrease.

**The School District's Funds**

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$9,446,263, expenditures of \$10,446,552. The net change in fund balance for the year in the General Fund, Special Revenue Fund, and Capital Projects Fund resulted in a decrease of \$1,000,289, which can mostly be attributable to increases in salaries, unallocated benefits and capital outlay

**General Fund Budgeting Highlights**

The School District's budget is prepared in accordance with New Jersey law. The most significant budgeted fund is the General Fund.

During the course of the 2011-2012 year, the School District modified its General Fund budget line items numerous times. The net change in the total budget modification was the rollover of the prior year's encumbrances.

For the General Fund, the original revenue amount budgeted on Exhibit C-1 was \$6,877,667 and there were additional adjustments of \$112,366, resulting in a final budgeted amount of \$6,990,033. This excludes fund balance appropriated in the amount of \$135,656. The actual revenue received was \$7,658,503.

During the 2011-2012 year, the School District budgeted \$1,792,900.00 and \$4,366,207 for county appropriations and state aid revenues, respectively. The School District also received \$521,488 in reimbursed TPAF Social Security Aid and TPAF Pension Contributions.

The final budget basis expenditure appropriation estimate was \$7,244,661 compared to the original estimate of \$7,013,323.

The School District's expenditures also include the reimbursed TPAF Social Security Aid and TPAF Pension Contributions of \$521,488, which contributes to an unfavorable expenditure variance for the fiscal year.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Cont'd)**

**Capital Assets**

At the end of the fiscal year 2012, the School District had \$11,628,046 (Net of Depreciation) invested in buildings, furniture and equipment.

Table 3 shows a summary of the fiscal years ended June 30, 2012 and 2011.

**Table 3**

	6/30/2012	6/30/2011
Land Improvements	\$ 124,021	\$ 167,437
Construction in Progress	228,525	2,772,535
Buildings & Improvements	10,550,563	7,535,328
Equipment & Furniture	724,937	1,149,998
<b>Total</b>	<b>\$ 11,628,046</b>	<b>\$ 11,625,298</b>

**Debt Administration**

The County of Salem provides for most debt administration of the School District.

During the 09-10 the district approved an Energy Savings Lease Purchase in the amount of \$3,190,699, of which the balance at June 30, 2012 is \$ 3,006,220. Principal and Interest is payable until 04/15/25.

**Current Financial Issues and Concerns**

The School District has a long record of financial stability. Despite unpredictable funding from the State of New Jersey, the Salem County Vocational Technical School District provides a full range of educational services for the residents of Salem County. These services include career orientation, career and technical education, specialized arts, science and technology programs, and special education programs. A complete array of post-secondary, community and continuing education courses and programs are offered.

The School District continues to be successful in generating revenues through services and/or enterprises that are offered by the School District. Some of these revenues were generated through numerous enterprise activities that included the operation of a Business, a Corporate, and Customized Education Center. However, it has often been very difficult to operate within the parameter (box) that has been created under the CEIFA funding formula as amended for school districts. The most restrictive aspect of this formula is the limitation of unreserved fund balance of surplus to a maximum of 6%. Because of the nature of the School District's budget; services, programs, and the business-like manner in which the School District is operated, the unreserved balance is key to fiscal flexibility and to the School District's ability to front-load funds for student services and programs prior to conventional revenue sources being available. This also has an impact on the School District's ability to apply for and receive grants. Budget issues and budget constraints will continue to be a concern, especially as enrollments fluctuate.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(Cont'd)**

**Current Financial Issues and Concerns Cont'd**

The School District's budget has moderately increased over the past eight years. The 2002-03 budget reflected a spending plan of \$6,581,393; the 2011-12 budget contemplates spending \$7,013,323, an increase of 6.56% over nine years. The increases are the result of salary increases, addition to staff resulting from high enrollments, and significant cost increases for health benefits and property insurance.

Enrollments have been increasing steadily at the School District. In October of 2005, the CTHS population included 165 special education students and 478 regular education students. In October of 2006, the CTHS population included 157 special education students and 476 regular education students. In October of 2007, the CTHS population included 127 special education students and 544 regular education students.

In October of 2008, the CTHS population includes 148 special education students and 532 regular education students. In October of 2009, the CTHS population includes 173 special education students and 608 regular education students.

The Salem County Vocational Technical School District expects continued enrollment growth and is committed to providing an excellent career and technical education opportunities to every student in Salem County who chooses to attend the School District. The School District is committed to providing excellent facilities and equipment. The Board believes that the schools have an excellent teaching staff and support personnel and that Salem County Vocational Technical School District is in a position to be a leading provider of a career and technical education in the 21<sup>st</sup> Century. Finally, the board is committed to financial excellence and stability.

**Contacting the School District's Financial Management**

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Shay E. Richardson, Treasurer/Compliance Officer at Salem County Vocational Technical Schools, 880 Route 45, Box 350, Woodstown, New Jersey 08098.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net assets and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Statement of Net Assets  
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 391,020	\$ 211,680	\$ 602,700
Receivables, net	530,562	230,906	761,468
Inventories		9,545	9,545
Capital Assets, net (Note 6):	10,751,756	876,290	11,628,046
<b>Total Assets</b>	<b>11,673,338</b>	<b>1,328,421</b>	<b>13,001,759</b>
<b>LIABILITIES:</b>			
Accounts Payable	255,855	11,853	267,708
Cash Overdraft	169,122		169,122
Deferred Revenue	67,954	19,789	87,743
Accrued Interest	29,686		29,686
Noncurrent Liabilities (Note 7):			
Due within One Year	124,686		124,686
Due beyond One Year	2,983,912	26,312	3,010,224
<b>Total Liabilities</b>	<b>3,631,215</b>	<b>57,954</b>	<b>3,689,169</b>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	7,745,536	876,290	8,621,826
Restricted for:			
Capital Projects	357,785		357,785
Other Purposes	39,825	23,309	63,134
Unrestricted (Deficit)	(101,023)	370,868	269,845
<b>Total Net Assets</b>	<b>\$ 8,042,123</b>	<b>\$ 1,270,467</b>	<b>\$ 9,312,590</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
<b>Governmental Activities:</b>					
Instruction:					
Regular Instruction	\$ 1,859,555		\$ 966,084	\$ (893,471)	\$ (893,471)
Regular Vocational	2,754,285	\$ 654,536		(2,099,749)	(2,099,749)
School Sponsored Co/Extracurricular Activities	24,173			(24,173)	(24,173)
Undistributed Expenditures and Support Services:					
Attendance & Social Work	68,539			(68,539)	(68,539)
Health Services	54,825			(54,825)	(54,825)
Students - Regular	1,053,612		780,910	(272,702)	(272,702)
Improvement of Instruction Services	164,186			(164,186)	(164,186)
Educational Media/School Library	157,649			(157,649)	(157,649)
General Administration	291,309			(291,309)	(291,309)
School Administration	248,180			(248,180)	(248,180)
Central Services	382,718			(382,718)	(382,718)
Operation and Maintenance of Plant Services	953,433			(953,433)	(953,433)
Student Transportation Services	14,358			(14,358)	(14,358)
Unallocated Benefits	1,610,748		521,488	(1,089,260)	(1,089,260)
Unallocated Depreciation	617,132.00			(617,132.00)	(617,132.00)
<b>Total Governmental Activities</b>	<b>10,254,702</b>	<b>654,536</b>	<b>2,268,482</b>	<b>(7,331,684)</b>	<b>(7,331,684)</b>
<b>Business-Type Activities:</b>					
Food Service	184,435	112,404	76,352		4,321
Regional Day School	1,353,544	1,325,281			(28,263)
Summer Enrichment Program	120,662	142,000			21,338
BCCEC/ETTC	162,525	233,387			70,862
Transitional Production Workshop	841	1,635			794
Consolidated Services	271,096	300,733			29,637
The Learning Center	65,084	68,124			3,040
<b>Total Business-Type Activities</b>	<b>2,158,187</b>	<b>2,183,564</b>	<b>76,352</b>		<b>101,729</b>
<b>Total Primary Government</b>	<b>\$ 12,412,889</b>	<b>\$ 2,838,100</b>	<b>\$ 2,344,834</b>	<b>(7,331,684)</b>	<b>101,729</b>
<b>General Revenues:</b>					
County of Salem Budget Appropriation				1,792,900	1,792,900
Federal and State Aid Restricted				4,567,036	4,567,036
Miscellaneous Income				163,309	163,434
<b>Total General Revenues</b>				<b>6,523,245</b>	<b>6,523,370</b>
<b>Change in Net Assets</b>				<b>(808,439)</b>	<b>101,854</b>
<b>Net Assets -- July 1</b>				<b>8,850,562</b>	<b>10,019,175</b>
<b>Net Assets -- June 30</b>				<b>\$ 8,042,123</b>	<b>\$ 9,312,590</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

## **GOVERNMENTAL FUNDS**

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT

Balance Sheet  
Governmental Funds  
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS:</b>				
Cash and Cash Equivalents		\$ 39,235	\$ 351,785	\$ 391,020
Accounts Receivable:				
State Government	\$ 11,063			11,063
Federal Government		198,800		198,800
Other	320,699			320,699
Total Assets	<u>\$ 331,762</u>	<u>\$ 238,035</u>	<u>\$ 351,785</u>	<u>\$ 921,582</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	85,774	170,081		255,855
Cash Overdraft	169,122			169,122
Deferred Revenue		67,954		67,954
Total Liabilities	<u>254,896</u>	<u>238,035</u>		<u>492,931</u>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Capital Reserve Account	6,000			6,000
Excess Surplus	28,148			28,148
<b>Committed to:</b>				
Year-End Encumbrances	37,868		123,260	161,128
Assigned Fund Balance - Designated For				
Subsequent Year's Expenditures	11,677			11,677
<b>Unassigned, Reported In:</b>				
General Fund	(6,827)			(6,827)
Capital Projects Fund			228,525	228,525
Total Fund Balances	<u>76,866</u>		<u>351,785</u>	<u>428,651</u>
Total Liabilities and Fund Balances	<u>\$ 331,762</u>	<u>\$ 238,035</u>	<u>\$ 351,785</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$18,685,174 and the accumulated depreciation is \$7,933,418

10,751,756

Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(3,138,284)

Net assets of governmental activities

8,042,123

The accompanying Notes to Financial Statements are an integral part of this statement.

**CLATSOP COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES:</b>				
County of Salem Budget Appropriation	\$ 1,792,900	\$	\$	\$ 1,792,900
Tuition Charges	654,536			654,536
Unrestricted Miscellaneous Revenue	163,309	9,400		172,709
State Sources	4,875,869	400,162		5,276,031
Federal Sources	156,888	1,393,199		1,550,087
<b>Total Revenues</b>	<b>7,643,502</b>	<b>1,802,761</b>		<b>9,446,263</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Regular Instruction	786,144	966,084		1,752,228
Regular Vocational	2,539,630			2,539,630
School Sponsored Co/Extracurricular Activities	24,173			24,173
<b>Undistributed Expenditures and Support Services:</b>				
Attendance & Social Work	68,539			68,539
Health Services	54,825			54,825
Students - Regular	272,702	780,910		1,053,612
Improvement of Instruction Services	164,186			164,186
Educational Media/School Library	157,649			157,649
General Administration	244,243			244,243
School Administration	248,180			248,180
Central Services	383,020			383,020
Operation and Maintenance of Plant Services	872,938			872,938
Student Transportation Services	14,358			14,358
Unallocated Benefits	1,120,371			1,120,371
On Behalf Contributions	521,488			521,488
Capital Outlay	211,148	55,767	960,197	1,227,112
<b>Total Expenditures</b>	<b>7,683,594</b>	<b>1,802,761</b>	<b>960,197</b>	<b>10,446,552</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(40,092)</b>	<b>-</b>	<b>(960,197)</b>	<b>(1,000,289)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
<b>Total Other Financing Sources and Uses</b>				
<b>Net Change in Fund Balances</b>	<b>(40,092)</b>		<b>(960,197)</b>	<b>(1,000,289)</b>
<b>Fund Balance (Deficit) -- July 1</b>	<b>116,958</b>		<b>1,311,982</b>	<b>1,428,940</b>
<b>Fund Balance (Deficit) -- June 30</b>	<b>\$ 76,866</b>	<b>\$ -</b>	<b>\$ 351,785</b>	<b>\$ 428,651</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2012

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Total Net Change in Fund Balances - Governmental Funds	\$ (1,000,289)
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Amounts reported for governmental activities in the statement  
of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation Expense	(1,066,675)	
Capital Outlays	<u>1,227,112</u>	160,437

In the statement of activities, interest expense on debt service is accrued, while only payments are charged as expenditures in the budget basis financial statements	302
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

31,111

Change in Net Assets of Governmental Activities	<u><u>\$ (808,439)</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

## **PROPRIETARY FUNDS**



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Statement of Net Assets  
Proprietary Funds  
June 30, 2012

	Business Type Activities- Enterprise Funds								
	Food Service	Regional Day School	The Learning Center	Summer Enrichment Program	BCCEC/ ETTC Program	Transitional Production Workshop	Consolidated Services	School Based Youth Services	Total
<b>ASSETS:</b>									
Current Assets:									
Cash and Cash Equivalents	\$ 54,538	\$ (106,131)	\$ 2,503	\$ 22,159	\$ 181,269	\$ 10,602	\$ 29,637	\$ 17,103	\$ 211,680
Accounts Receivable:									
State	70								70
Federal	2,537								2,537
Other	521	193,878	1,495		32,405				228,299
Inventories	9,545								9,545
Total Current Assets	67,211	87,747	3,998	22,159	213,674	10,602	29,637	17,103	452,131
Noncurrent Assets:									
Site Improvements		77,600							77,600
Building		2,123,900							2,123,900
Equipment		179,585							179,585
Accumulated Depreciation		(1,504,795)							(1,504,795)
Total Noncurrent Assets		876,290							876,290
Total Assets	67,211	964,037	3,998	22,159	213,674	10,602	29,637	17,103	1,328,421
<b>LIABILITIES:</b>									
Current Liabilities:									
Accounts Payable		11,577			276				11,853
Deferred Revenue	1,073				18,716				19,789
Compensated Absences Payable		26,312							26,312
Total Current Liabilities	1,073	37,889			18,992				57,954
<b>NET ASSETS:</b>									
Invested in Capital Assets									
Net of Related Debt		876,290							876,290
Restricted - Encumbrances		22,877			287	145			23,309
Unrestricted	66,138	26,981	3,998	22,159	194,395	10,457	29,637	17,103	370,868
Total Net Assets	\$ 66,138	\$ 926,148	\$ 3,998	\$ 22,159	\$ 194,682	\$ 10,602	\$ 29,637	\$ 17,103	\$ 1,270,467

The accompanying Notes to the Financial Statements are an integral part of this statement.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**Propriety Funds**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For the Fiscal Year Ended June 30, 2012**

	Business Type Activities- Enterprise Funds							School Based Youth Services	Total
	Food Service	Regional Day School	The Learning Center	Summer Enrichment Program	BCCEC/ ETTC Program	Transitional Production Workshop	Consolidated Services		
<b>OPERATING REVENUES:</b>									
Charges for Services:									
Daily Sales - Reimbursable Programs	\$ 55,167								\$ 55,167
Daily Sales - Non-Reimbursable Programs	39,492								39,492
Other Sales	11,218								11,218
Tuition		965,624	68,124	112,000					1,145,748
Other Revenue	6,527	359,657		30,000	233,387	1,635	300,733		931,939
<b>Total Operating Revenues</b>	<b>112,404</b>	<b>1,325,281</b>	<b>68,124</b>	<b>142,000</b>	<b>233,387</b>	<b>1,635</b>	<b>300,733</b>		<b>2,183,564</b>
<b>OPERATING EXPENSES:</b>									
Salaries	87,699	677,943	55,218	42,336	114,884				978,080
Employee Benefits		251,242	9,866	1,214	23,829				286,151
Cost of Sales	95,734								95,734
Purchased Educational Services		173,888		19,489	3,700				197,077
Other Purchased Professional Services		75,176			2,920		271,096		349,192
Purchased Technical Services		16,623			5,975				22,598
Cleaning, Repair & Maintenance		3,726							3,726
Insurance		5,321							5,321
Legal		61							61
Rentals				55,592					55,592
Communications		3,755							3,755
Travel	321	2,306			414				3,041
Other Purchased Services	681	118		1,937					2,736
General Supplies		17,345		94	2,305	841			20,585
Utilities		65,499							65,499
Textbooks					5,705				5,705
Miscellaneous		2,346			2,793				5,139
Depreciation		58,195							58,195
<b>Total Operating Expenses</b>	<b>184,435</b>	<b>1,353,544</b>	<b>65,084</b>	<b>120,662</b>	<b>162,525</b>	<b>841</b>	<b>271,096</b>		<b>2,158,187</b>
<b>Operating Income / (Loss)</b>	<b>(72,031)</b>	<b>(28,263)</b>	<b>3,040</b>	<b>21,338</b>	<b>70,862</b>	<b>794</b>	<b>29,637</b>		<b>25,377</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>									
State Sources:									
State School Lunch Program	1,789								1,789
Federal Sources:									
Food Distribution Program	12,107								12,107
National School Lunch Program	56,580								56,580
National School Breakfast Program	5,876								5,876
Interest and Investment Revenue	125								125
<b>Total Non-operating Revenues (Expenses)</b>	<b>76,477</b>								<b>76,477</b>
<b>OTHER FINANCING USES:</b>									
Change in Net Assets	4,446	(28,263)	3,040	21,338	70,862	794	29,637		101,854
Net Assets -- July 1	61,692	954,411	958	821	123,820	9,808		17,103	1,168,613
Net Assets -- June 30	<u>\$ 66,138</u>	<u>\$ 926,148</u>	<u>\$ 3,998</u>	<u>\$ 22,159</u>	<u>\$194,682</u>	<u>\$ 10,602</u>	<u>\$ 29,637</u>	<u>\$17,103</u>	<u>\$ 1,270,467</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2012**

	Business Type Activities- Enterprise Funds								
	Food Service	Regional Day School	The Learning Center	Summer Enrichment Program	BCCEC/ ETTC Program	Transitional Production Workshop	Consolidated Services	School Based Youth Services	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>									
Receipts from Customers	\$ 112,404	\$ 1,325,281	\$ 68,124	\$ 142,000	\$ 233,387	\$ 1,635	\$ 300,733	\$ -	\$ 2,183,564
Payments to Employees	(87,699)	(677,943)	(55,218)	(42,336)	(114,884)				(978,080)
Payments for Employee Benefits		(251,242)	(9,866)	(1,214)	(23,829)				(286,151)
Payments to Suppliers	(100,679)	(495,783)	(953)	(77,112)	(22,514)	(841)	(271,096)		(968,978)
Net Cash Provided by (used for) Operating Activities	(75,974)	(99,687)	2,087	21,338	72,160	794	29,637		(49,645)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>									
State Sources	1,789								1,789
Federal Sources	74,563								74,563
Net Cash Provided by (used for) Non-Capital Financing Activities	76,352								76,352
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>									
Interest and Dividends	125								125
Net Cash Provided by (used for) Investing Activities	125								125
Net Increase (Decrease) in Cash and Cash Equivalents	503	(99,687)	2,087	21,338	72,160	794	29,637		26,832
Cash and Cash Equivalents -- July 1	54,035	(6,444)	416	821	109,109	9,808		17,103	184,848
Cash and Equivalents -- June 30	<u>\$ 54,538</u>	<u>\$ (106,131)</u>	<u>\$ 2,503</u>	<u>\$ 22,159</u>	<u>\$ 181,269</u>	<u>\$ 10,602</u>	<u>\$ 29,637</u>	<u>\$17,103</u>	<u>\$ 211,680</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>									
Operating Income (Loss)	(72,031)	(28,263)	3,040	21,338	70,862	794	29,637		25,377
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:									
Depreciation Expense		58,195							58,195
Changes in Assets and Liabilities:									
Accounts Receivable (Increase)/Decrease	1,968.00	(99,544.00)	(953.00)		#####				(113,020.00)
Inventory (Increase)/Decrease	(1,642.00)								(1,642.00)
Accounts Payable Increase/(Decrease)	(5,342.00)	(8,073.00)			276.00				(13,139.00)
Deferred Revenue Increase/(Decrease)	1,073.00				15,513.00				16,586.00
Compensated Absences Payable Increase/(Decrease)		(22,002.00)							(22,002.00)
Net Cash Provided by (used for) Operating Activities	<u>\$ (75,974)</u>	<u>\$ (99,687)</u>	<u>\$ 2,087</u>	<u>\$ 21,338</u>	<u>\$ 72,160</u>	<u>\$ 794</u>	<u>\$ 29,637</u>	<u>\$ -</u>	<u>\$ (49,645)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

## **FIDUCIARY FUNDS**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2012

	Agency Funds	
	Student Activity	Payroll
ASSETS:		
Cash and Cash Equivalents	\$ 15,639	\$ 2,628
Total Assets	<u>\$ 15,639</u>	<u>\$ 2,628</u>
LIABILITIES:		
Payable to Student Groups	\$ 15,639	
Payroll Deductions and Withholdings		\$ 2,628
Total Liabilities	<u>\$ 15,639</u>	<u>\$ 2,628</u>

accompanying Notes to the Financial Statements are an integral part of this statement

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

**A. Reporting Entity:**

The Salem County Vocational Technical School District (hereafter referred to as the "School District") is a Type I district located in the County of Salem, State of New Jersey. The Board is comprised of eight members; seven of them are appointed to four-year terms by the Salem County Board of Chosen Freeholders and one is a statutory appointment. The terms are staggered so that at least one member's term expires each year. The purpose of the School District is to provide a full range of educational services for the residents of Salem County. The School District had an approximate enrollment at June 30, 2012 of 838 students.

The Agency is considered to be a "Component Unit" of the County Of Salem under GAAP. This determination is based on the oversight responsibility of the County, which manifests itself primarily in the selection of District Board members, the accountability on fiscal matters, the approval for debt authorizations and the determination of county tax provided by the county.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities require to be include in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

**Component Units** – GASB Statement No. 14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The School District is a component unit of the County of Salem. These financial statements would be either blended or discreetly presented as part of the County's financial statements if the County reported using generally accepted accounting principles applicable to governmental entities. The following organization is considered a component unit of the School District; however, the School District has determined that it is not significant and, therefore, has not been included in the basic financial statements:

Salem County Vocational Technical School Foundation  
880 Route 45  
Woodstown, New Jersey 08098

Requests for financial information should be addressed to the organization listed above.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation:**

The financial statements of the Board of Education (Board) of Salem County Vocational Technical School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities, and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the Board's accounting policies are described in this Note.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*. The implementation of these statements had no effect on equity balances as previously reported.

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**District-wide Statements:** The statement of net assets and the statement of activities display information about the School District as a whole. These statements include financial activities of the primary government, except for fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between those activities of the School District that are *governmental* and those that are considered *business-type activities*. Governmental activities generally are financed through county taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at the fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activity of the School District.

- Direct expenses are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expense to functions in the statement of activities.



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. Basis of Presentation (Cont'd):**

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and (c) contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is used to support a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Fund Financial Statements:** During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds, *governmental*, *proprietary*, and *fiduciary*. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

**B. Governmental Funds:**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources, rather than upon net income. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

**General Fund (Cont'd)** - Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Governmental Funds (Cont'd):**

In addition to the capital outlay sub-fund, the School District is accountable for additional sub-funds resulting from federal legislation signed into law. This federal law requires the tracking and separate reporting of American Recovery and Reinvestment Act (ARRA) funds, if any. ARRA State Fiscal Stabilization Funds were provided to districts to be used for general fund expenses. In addition, the Education Jobs Fund Program will require an additional sub-fund to be used for expenses in accordance with the education jobs compliance supplement within the federal OMB 133.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, other than major capital projects, debt service, enterprise funds and local appropriations, legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Permanent Fund** - The permanent fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students. The School District does not have a permanent fund.

**C. Proprietary Fund Type:**

Proprietary Funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations: (1) that are financed and operated in a manner similar to private business enterprises -- where the intent of the School District is that the costs (expenses including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, (2) where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The School District's enterprise funds are:

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the School District.

**Regional Day School Fund** - This fund accounts for the financial activity under a contract with the New Jersey Department of Education. The educational program is designed to serve up to 100 multiple and or low incident disabled students from the Cumberland, Gloucester and Salem Counties.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Proprietary Fund Type (Cont'd):**

**Enterprise Funds (Cont'd)**

**Business and Corporate and Customized Education Center Fund / Educational Technology Training Center (BCCEC/ETTC)** – This fund accounts for the financial activity related to the professional development and technology training to school districts and employers in the greater Cumberland, Gloucester and Salem County communities.

**Summer Enrichment Program Fund** – This fund accounts for financial activity related to providing a six week summer program at the districts Regional Day School.

**Transitional Productions Workshop Fund** – This fund accounts for the financial activity related to the printing of brochures, newsletters and invitations. These services are provided to schools, businesses, and civic organizations. The workshop is offered through the Regional Day School to prepare students for entry careers in the duplicating and printing industries.

**Consolidated Services Fund** – This fund accounts for the financial activity related to the Consolidated Services Counsel of Salem County, which provides collected coordinated services to county school districts. The fund bills and collects revenue from each of the member districts and disburses them in accordance with the Counsel's agreed to appropriation and budget.

**School Based Youth Services Center Fund** – This fund accounts for the financial activity related to services provided to at-risk in and out of school youth through programs at a teen center. Fees are provided by local K-12 school districts to support the program.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**Enterprise Funds (Cont'd)** - Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Fiduciary Funds** – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held but the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has two fiduciary funds, which bare a student activity fund, and a payroll fund. A description of permitted fiduciary funds is a follows:

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The district does not currently maintain an Expendable Trust Fund.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

**Agency Funds** - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**D. Measurement Focus:**

**District-wide Financial Statements** – The district-wide financial statements are prepared using the economic resources measurement focus. All assets and all liability associated with the operation of the School District are included on the statement of net assets.

**Fund Financial Statements** – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Basis of Accounting:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

*District-wide, Proprietary and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they

conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Basis of Accounting (Cont'd):**

**Revenues – Exchange and Non-Exchange Transactions** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities for the current fiscal year. For the School District, available means expected to be received within thirty days of the fiscal year-end.

Non- exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual, as under New Jersey State Statute. A municipality is required to remit to its School Districts the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The school District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements which specify the fiscal year when the resources are required to be used or the year resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula aids, which include *Demonstrably Effective Program Aid*, and *Instructional Supplement Program Aid* are recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditure. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

**Expenses / Expenditures** – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in government funds.

**F. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-2.13.3.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1 and Exhibit C-2, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis, with the exception of the revenue recognition policy for the one or more June state aid payments.

**G. Encumbrances:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**H. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents, for all funds, include petty cash change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in public depositories unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

**I. Tuition Receivable:**

Tuition charges were established by the Board of Education based on contracts with the sending districts.

**J. Tuition Payable:**

There were no tuition charges or adjustments for the fiscal year under audit.

**K. Inventories:**

Inventories, which benefit future periods other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase rather than when consumed. Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

On district-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**L. Prepaid Expenses:**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types, represent payments made to vendors for services that will benefit periods beyond June 30<sup>th</sup>.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**M. Short -Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. These amounts are eliminated in the governmental business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

**N. Capital Assets:**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund of the net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received the School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<b><u>Description</u></b>	<b><u>Governmental Activities Estimated Lives</u></b>	<b><u>Business - Type Activities Estimated Lives</u></b>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	10-50 Years
Furniture and Equipment	5-20 Years	12 Years
Vehicles	5-10 Years	4-6 Years

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**O. Deferred Expenditures:**

Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure / expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

**P. Accrued Salaries and Wages:**

Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in separate bank accounts.

**Q. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability. The entire amount of compensated absences is reported on the government-wide financial statements.

**R. Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied and generally in the special revenue fund.

**S. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**T. Comparative Data/Reclassifications:**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**U. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities and long-term obligations are reported on the District-wide financial statements. All payables, accrued liabilities and long term obligations payable from the proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities, once incurred, are paid in a timely manner and in full from current financial resources as obligations of funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

**V. Net Assets:**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets.

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**W. Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. Fund balance reserves are established for encumbrances, legally restricted appropriations, tuition, excess surplus, capital reserve accounts, emergency reserves and debt service reserves. Effective in the 2011-12 fiscal year, June 30, 2012 fund balances are to be categorized as Restricted, Committed, Assigned or Unassigned, in accordance with GASB 54.

**X. Management Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Y. Operating and Non- Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service program, tuition for the Regional Day School and Summer Enrichment Programs, fees for training and educational programs for the BCCEC/ETTC Program and the School Based Youth Services Program, and fees collected from other Districts regarding coordinated services for the Consolidated Services Fund. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts.

Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Non-operating expenses principally include expenses attributable to the School District's proprietary funds.

**Z. Interfund Activity:**

Transfers between governmental and business-type activities on the governmental-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues/ expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures, expenses to the funds that initially paid for them are not presented on the financial statements

**AA. Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

**Custodial Credit Risk Related to Deposits:**

Custodial Credit Risk for deposits is the risk that, in the event of a bank failure, the districts deposits may not be recovered. turned to it. Although the district does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et. seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Protection Act.

The Board of Education designates and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2012, \$621,075 of the districts bank balance of \$871,075 was uninsured and exposed to custodial credit risk and collateralized under GUDPA.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Board of Education of the Salem County Vocational and Technical School District by inclusion of \$456,605.00 in the original 1996-97 annual capital budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the excess approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal years is as follows:

Beginning Balance July 1, 2011	\$	6,000
Increased by – Interest Earnings		<u>0</u>
Ending Balance June 30, 2012	\$	<u>6,000</u>

The LRFP balance of local support costs of uncompleted projects at June 30, 2012 is \$1,594,328.00.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 5. ACCOUNTS RECEIVABLES**

Accounts Receivables at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Receivables:				
Intergovernmental	\$ 11,063	\$ 198,800	\$ 2,607	\$ 212,470
Other	320,699		228,299	548,998
	<u>331,762</u>	<u>198,800</u>	<u>230,906</u>	<u>761,468</u>
Total	\$ <u>331,762</u>	\$ <u>198,800</u>	\$ <u>230,906</u>	\$ <u>761,468</u>

**NOTE 6. INVENTORY**

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$ 3,487
Supplies	<u>6,058</u>
	<u>\$ 9,545</u>

The value of Federal donated commodities, where reflected on Schedule A-2 (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase has been included as an item of non-operating revenue in the financial statements. The district received \$12,107 in federal commodities during the 2011-2012 school year, which was consumed during operations.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets that are not being depreciated:				
Land	\$ 391,928	\$ -	\$ -	\$ 391,928
Building and Improvements	11,316,525	960,197	2,544,010	14,820,732
Construction in Progress	2,772,535		(2,544,010)	228,525
Equipment	3,196,178	167,421	(119,610)	3,243,989
Total Historical Cost	<u>17,677,166</u>	<u>1,127,618</u>	<u>(119,610)</u>	<u>18,685,174</u>
Less accumulated depreciation for :				
Land Improvements	(253,029)	(14,878)		(267,907)
Building and improvements	(4,523,420)	(623,039)		(5,146,459)
Equipment	<u>(2,209,904)</u>	<u>(428,758)</u>	119,610	<u>(2,519,052)</u>
Total accumulated depreciation	<u>(6,986,353)</u>	<u>(1,066,675)</u>	<u>119,610</u>	<u>(7,933,418)</u>
<b>Government activities capital assets, net</b>	<u><u>\$ 10,690,813</u></u>	<u><u>\$ 60,943</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,751,756</u></u>
				To A-1
 Business-Type Activities -				
Building	\$ 2,123,900			\$ 2,123,900
Site Improvements	77,600			77,600
Equipment	179,585			179,585
Less Accumulated Depreciation	<u>(1,446,600)</u>	<u>(58,195)</u>		<u>(1,504,795)</u>
Business-Type Activities				
Capital Assets - Net	<u><u>\$ 934,485</u></u>	<u><u>\$ (58,195)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 876,290</u></u>

\*Depreciation expense was charged to government functions as follows:

Instruction- Regular	\$ 107,327
Instruction- Vocational	214,655
Plant Operations and Maintenance	80,495
General Administration	47,066
Unallocated	617,132
Total Depreciation Expense	<u>1,066,675</u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 8. GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year	Long-term Portion
<b>Governmental Activities:</b>						
Capital Lease Payable	\$ 3,105,040	\$ -	\$ (98,820)	\$ 3,006,220	\$ 112,936	\$ 2,893,284
Compensated Absences	133,489		(31,111)	102,378	11,700	90,678
Governmental Activity Long Term Liabilities	\$ 3,238,529	\$ -	\$ (129,931)	\$ 3,108,598	\$ 124,636	\$ 2,983,962
<b>Business-Type Activities:</b>						
Compensated absences payable	\$ 48,314	\$ -	\$ (22,002)	\$ 26,312	\$ 15,695	\$ 10,617

**A. Bonds Payable** - Bonds and Loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

The District is organized as a Type 1 School District under New Jersey Statutes; therefore long-term debt is accounted for and financed by the County of Salem. The following is presented for "Memorandum Only" purposes.

Year Ending June 30	Principal	Interest	Total
2013	\$ 105,000.00	\$ 39,262.50	\$ 144,262.50
2014	115,000.00	35,062.50	150,062.50
2015	110,000.00	30,750.00	140,750.00
2016	115,000.00	25,250.00	140,250.00
2017	125,000.00	19,500.00	144,500.00
2018	130,000.00	13,250.00	143,250.00
2019	135,000.00	6,750.00	141,750.00
	<u>\$ 835,000.00</u>	<u>\$ 169,825.00</u>	<u>\$ 1,004,825.00</u>

**Bonds Authorized But Not Issued** – As of June 30, 2012, the School District had no authorizations to issue additional bonded debt.

**Compensated Absences** – Compensated absences will be paid from the fund from which the employees' salaries are paid.



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 8. GENERAL LONG-TERM DEBT (CONT'D)**

**B. Capital Leases Payable** – The School District is financing Energy Saving upgrades with a 15 year capital lease totaling \$3,190,699. The following is a schedule of the future minimum lease payments at June 30, 2012.

Year Ending June 30,	Principal	Interest	Total
2013	\$ 112,936.00	\$ 142,494.82	\$ 255,430.82
2014	128,065.00	137,141.66	265,206.66
2015	144,267.00	131,071.38	275,338.38
2016	161,609.00	124,233.12	285,842.12
2017	180,155.00	116,572.86	296,727.86
2018	199,979.00	108,033.52	308,012.52
2019	221,156.00	98,554.50	319,710.50
2020	243,767.00	88,071.72	331,838.72
2021	267,894.00	76,517.16	344,411.16
2022	293,626.00	63,818.98	357,444.98
2023	321,058.00	49,901.10	370,959.10
2024	350,288.00	34,682.96	384,970.96
2025	381,420.00	18,079.30	399,499.30
	<u>\$ 3,006,220.00</u>	<u>\$ 1,189,173.08</u>	<u>\$ 4,195,393.08</u>

**NOTE 9. OPERATING LEASES**

The District has commitments to lease several copiers under operating leases that expire in 2013, 2014 and 2015. In addition, space will be leased in the Henry Young Building through June 30, 2013. There were no new operating lease obligations initiated in the year ended June 30, 2012. Future minimum lease payments are as follows:

Year ending June 30,	<u>Amount</u>
2013	\$ 50,756
2014	18,291
2015	<u>9,050</u>
Total future minimum lease payments	<u>\$ 78,097</u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 10. PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund is a cost sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members is determined by State Statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF are required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in members rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution has been required over several preceding fiscal years.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-multiple-employer defined benefit pension plan, which was established as of January 1, 1955. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members is determined by State Statute. In accordance with Chapter 62, PL 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in members rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 10. PENSION PLANS (Cont'd)**

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$288,690 to the TPAF for Non-Contributory Insurance and for post-retirement benefits and nothing for normal contributions on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$232,798 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>School District</u>
2012	\$ 51,667	\$ 103,334	\$ 155,001	\$ 155,001
2011	55,878	89,038	144,916	144,916
2010	58,107	56,696	114,803	114,803
2009	47,847	43,642	91,489	91,489

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, PL 2007 and Chapter 103, PL 2007 (NJSA 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, PL 2008 and Chapter 1, PL 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit. Vesting provisions are established by NJSA 43:15C-1 et. seq. The contribution requirements of plan members are determined by State Statute. In accordance with Chapter 92, PL 2007 and Chapter 103, PL 2007, plan members were required to contribute 5.5% of their annual covered salary.

The State Treasurer has the right under the current law to make temporary reductions in members rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District had no participants in this program as of June 30, 2012.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 11. POST-EMPLOYMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P. L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS, TPAF and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

**NOTE 12. COMPENSATED ABSENCES**

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the district wide-Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, a liability existed for compensated absences in the General Fund of \$102,378 and \$26,312 in the Regional Day Care Fund.

**NOTE 13. DEFERRED COMPENSATION**

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators were Prudential, Securities, Equitable, Lincoln Investments and Travelers.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 14. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**Joint Insurance Pool** – The School District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund.

The Fund provides the School District with the following coverage:

Property (Including Crime and Auto Physical Damage)  
General Liability  
Automobile Liability  
Workers' Compensation  
Educator's Legal Liability  
Boiler and Machinery  
Pollution Legal Liability

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year. The Fund publishes its own financial report for the year ended June 30, 2012, which can be obtained from the following address:

GCSSDJIF  
P.O. Box 449  
Marlton, New Jersey 08053

**NOTE 15. INTERFUND RECEIVABLES AND PAYABLES**

There were no Interfund balances as of June 30, 2012:

**NOTE 16. DEFICIT FUND BALANCES**

The School District has a deficit fund balance of \$0 in the General Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The Statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one records the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance deficit does not alone indicate that the School District is facing financial difficulties.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 16. DEFICIT FUND BALANCES (Cont'd)**

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need or corrective action. The School District deficit in the GAAP funds statements is less than the June state aid payments.

**NOTE 17. DEFICIT IN UNRESTRICTED NET ASSETS**

The governmental funds had a deficit in unrestricted net assets of \$6,827 as of June 30, 2012. The deficit is attributable to the allocation of compensated absences balances payable to unrestricted net assets as well as result from a delay in the June payments of state aid until the following fiscal year.

**NOTE 18. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$76,866 General Fund balance at June 30, 2012, \$37,868 is reserved for encumbrances; \$28,148 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 and none has been appropriated and included as anticipated revenue for the year ending June 30, 2012; \$6,000 has been reserved in the Capital Reserve Account; 11,677 has been appropriated and also included as anticipated revenue for the year ending June 30, 2012; and (\$6,827) is unreserved and undesignated.

**Legally Restricted**

Restrictions of fund balances of governmental funds are established to either (1) satisfy the legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance are summarized below:

**Legally Restricted for Capital Reserve Account** – As of June 30, 2012, the balance in the capital reserve account is \$12,000. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Committed For Encumbrances** – The reserve for encumbrances was created to represent encumbrances outstanding at the end of the fiscal year based on purchase orders and contracts signed by the School District but not completed as of the close of the fiscal year. As of June 30, 2012, \$27,418 has been reserved for this purpose.

**Unassigned - General Fund** – The budgetary basis unassigned general fund balance at June 30, 2012 is \$429,726.

**NOTE 19. CALCULATION OF EXCESS SURPLUS**

The designation of reserved fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 3 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance on a budgetary basis at June 30, 2012 is \$28,148 and will be appropriated against the 2013-14 budget.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 20. LITIGATION**

The solicitor revealed that there is no ongoing litigation that could have an adverse impact regarding the School District's financial condition.

**NOTE 21. MERGE OF THE SALEM COUNTY SPECIAL SERVICES BOARD OF  
EDUCATION AND THE SALEM COUNTY VO-TECH BOARD OF EDUCATION**

Effective, July 1, 2009, the Salem County Board of Chosen Freeholders adopted a resolution to disband the Salem County Special Services Board of Education and the Salem County Vo-Tech Board of Education, instituting a new Board named "The Board of Education for the Vocational School District and the Special Services School District for the County of Salem".

End of Notes to Financial Statements

## **BUDGETARY COMPARISON SCHEDULES**



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
County of Salem Budget Appropriation	\$ 1,792,900	\$ -	\$ 1,792,900	\$ 1,792,900	\$ -
Tuition Charges - In County	194,000	32,800	226,800	226,200	(600)
Tuition Charges - Out of County	355,173		355,173	428,336	73,163
Interest Earned on Capital Reserve Funds	6,000		6,000		(6,000)
Unrestricted Miscellaneous Revenue	86,065		86,065	163,309	77,244
<b>Total - Local Sources</b>	<b>2,434,138</b>	<b>32,800</b>	<b>2,466,938</b>	<b>2,610,745</b>	<b>143,807</b>
State Sources:					
Categorical Aid					
Equalization Aid	3,943,002	74,800	4,017,802	4,017,802	
Categorical Special Education Aid	348,405		348,405	348,405	
Other State Aid					
Anti-Bullying Act				3,175	3,175
Reimbursed TPAF Social Security Contributions (non-budgeted)				232,798	232,798
On-behalf TPAF pension contributions (non-budgeted)				95,902	95,902
On-behalf TPAF pension post-retirement contributions (non-budgeted)				192,788	192,788
<b>Total - State Sources</b>	<b>4,291,407</b>	<b>74,800</b>	<b>4,366,207</b>	<b>4,890,870</b>	<b>524,663</b>
Federal Sources:					
Education Jobs Fund	152,122	4,766	156,888	156,888	
<b>Total - Federal Sources</b>	<b>152,122</b>	<b>4,766</b>	<b>156,888</b>	<b>156,888</b>	
<b>Total Revenues</b>	<b>6,877,667</b>	<b>112,366</b>	<b>6,990,033</b>	<b>7,658,503</b>	<b>668,470</b>
<b>EXPENDITURES:</b>					
Current Expense:					
Regular Programs - Grade 9-12 - Instruction:					
Salaries of Teachers	675,026	56,231	731,257	731,257	
Purchased Professional-Educational Services	33,600	23,428	57,028	53,767	3,261
General Supplies	7,128	(5,932)	1,196		1,196
Textbooks		243	243		243
<b>Total Regular Programs - Instruction</b>	<b>715,754</b>	<b>73,970</b>	<b>789,724</b>	<b>785,024</b>	<b>4,700</b>
Regular Programs - Home Instruction:					
Salaries of Teachers		1,120	1,120	1,120	
Regular Vocational Programs - Instruction:					
Salaries of Teachers	995,302	70,072	1,065,374	1,061,774	3,600
Purchased Professional-Educational Services	1,375,560	17,655	1,393,215	1,393,107	108
Other Purchased Services (400-500 series)		5,622	5,622	5,373	249
General Supplies	67,761	11,004	78,765	76,698	2,067
Textbooks	263	2,195	2,458	2,458	
Other Objects		220	220	220	
<b>Total - Regular Vocational Programs - Instruction</b>	<b>2,438,886</b>	<b>106,768</b>	<b>2,545,654</b>	<b>2,539,630</b>	<b>6,024</b>
School-Sponsored Co/Extra-Curr. Activities-Instruction					
Salaries	5,500	5,073	10,573	10,573	
Purchased Services (300-500 series)	1,340	(190)	1,150	1,150	
Supplies and Materials	12,950	(500)	12,450	12,450	
Other Objects	365	(365)			
<b>Total School-Spon. Co/Extra Curr. Actvts. - Inst</b>	<b>20,155</b>	<b>4,018</b>	<b>24,173</b>	<b>24,173</b>	
Undistributed Expenditures - Attendance & Social Work					
Salaries of Drop-Out Prevention Officer/Coordina	68,205	334	68,539	68,539	
<b>Total Undistributed Expenditures - Attendance &amp; Social Work</b>	<b>68,205</b>	<b>334</b>	<b>68,539</b>	<b>68,539</b>	

(Continued)

## SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Health Services:					
Salaries	\$ 51,016	\$ 2,500	\$ 53,516	\$ 53,516	\$ -
Purchased Professional and Technical Services		53	53	53	
Other Purchased Services (400-500 series)	567	(160)	407	396	11
Supplies and Materials	700	160	860	860	
Other Objects	100		100		100
Total Undistributed Expenditures - Health Services	52,383	2,553	54,936	54,825	111
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	222,122	11,496	233,618	233,618	
Salaries of Secretarial and Clerical Assistants	24,730	500	25,230	25,230	
Purchased Professional Educational Services	320	(320)			
Other Purchased Services (400-500 series)	1,500	6,337	7,837	2,957	4,880
Supplies and Materials	2,765	(1,458)	1,307	1,307	
Other Objects		19	19		19
Total Undist. Expend. - Guidance	251,437	16,574	268,011	263,112	4,899
Undistributed Expenditures - Child Study Teams					
Purchased Professional - Educational Services		9,590	9,590	9,590	
Total Undist. Expend. - Child Study Teams		9,590	9,590	9,590	
Undistributed Expenditures - Improvement of Instruction Services					
Salaries of Supervisor of Instruction	74,871	(44,166)	30,705	30,705	
Salaries of Other Professional Staff	63,202	310	63,512	63,512	
Salaries of Secretarial and Clerical Assistants	64,740	(61)	64,679	64,679	
Other Purchased Services (400-500)	900	(282)	618	618	
Supplies and Materials	300	3,312	3,612	3,612	
Other Objects	1,500	(440)	1,060	1,060	
Total Undist. Expend. - Improv of Inst. Serv.	205,513	(41,327)	164,186	164,186	
Undistributed Expenditures - Educational Media Service/Sch Library					
Salaries	71,884	(11,666)	60,218	60,218	
Purchased Professional and Technical Services	56,669	(276)	56,393	50,840	5,553
Supplies and Materials	52,070	1,594	53,664	46,591	7,073
Total Undist Expend-Edu. Media Serv. / Sch. Library	180,623	(10,348)	170,275	157,649	12,626
Undistributed Expenditures - Support Services - General Administration:					
Salaries	26,259	45,129	71,388	71,327	61
Legal Services	15,000	(8,229)	6,771	6,702	69
Audit Fee	23,000	9,547	32,547	18,500	14,047
Other Purchased Professional Services	89,273	(3,539)	85,734	85,726	8
Communications/Telephone	30,000	1,762	31,762	30,513	1,249
Misc. Purch Serv (400-500) (Other than 530 & 585)	5,000	7,455	12,455	12,455	
General Supplies	5,000	(1,930)	3,070	2,374	696
Miscellaneous Expenditures	12,826	4,788	17,614	16,646	968
Total Undist. Expend. -Support Serv. -Gen. Admin.	206,358	54,983	261,341	244,243	17,098
Undistributed Expenditures - Support Services - School Administration					
Salaries of Principals / Assistant Principals	165,358		165,358	165,358	
Salaries of Secretarial and Clerical Assistants	71,836	352	72,188	72,188	
Purchased Professional and Technical Services	11,712	(11,712)			
Other Purchased Services (400-500 series)	1,500	(81)	1,419	1,419	
Supplies and Materials	8,000	(2,170)	5,830	5,477	353
Other Objects	2,000	1,822	3,822	3,738	84
Total Undist. Expend. -Support Serv. - School Adm.	260,406	(11,789)	248,617	248,180	437

(Continued)

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Undistributed Expenditures - Central Services:					
Salaries	243,751	(91,902)	151,849	151,849	
Purchased Professional Services		32,749	32,749	32,749	
Purchased Technical Services	21,500	16,441	37,941	34,928	3,013
Misc. Purchased Services (400-500 Series)	5,000	(1,917)	3,083	3,083	
Supplies and Materials	13,500	(6,121)	7,379	7,378	1
Interest on Lease Purchase Agreement	147,179		147,179	147,179	
Other Objects	8,000	(2,146)	5,854	5,854	
Total Undistributed Expenditures - Central Services	438,930	(52,896)	386,034	383,020	3,014
Undistributed Expenditures - Required Maint for School Facilities					
Salaries	\$ 33,966	\$ 1,104	\$ 35,070	\$ 35,070	\$ -
Cleaning, Repair, and Maintenance Services	70,000	66,075	136,075	123,939	12,136
General Supplies	81,034	(58,860)	22,174	22,174	
Total Undist. Expend-Required Maint for Sch Fac.	185,000	8,319	193,319	181,183	12,136
Undistributed Expenditures - Other Oper & Maint of Plant					
Salaries	293,006	(27,668)	265,338	265,338	
Cleaning, Repair, and Maintenance Services	25,000	16,870	41,870	41,870	
Insurance	56,000	11,892	67,892	67,892	
General Supplies	20,000	(9,284)	10,716	10,312	404
Energy (Heat and Electricity)	252,605	(188,636)	63,969	63,969	
Energy (Natural Gas)	47,250	171,844	219,094	219,094	
Energy (Oil)		7,829	7,829	7,362	467
Other Objects		415	415	415	
Total Undist Expend-Oth. Oper & Maint of Plant	693,861	(16,738)	677,123	676,252	871
Undistributed Expenditures - Care & Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	25,000	(9,497)	15,503	15,503	
Total Care and Upkeep of Grounds	25,000	(9,497)	15,503	15,503	
Undistributed Expenditures - Security					
Cleaning, Repair, and Maintenance Services	2,000	(2,000)			
Total Security	2,000	(2,000)			
Total Undist. Expend-Oper & Maint of Plant Serv.	905,861	(19,916)	885,945	872,938	13,007
Undistributed Expenditures - Student Transportation Services:					
Contr Serv (Oth. Than Bet Home & Sch) - Vend	22,880	(8,354)	14,526	14,358	168
Total Undist. Expend. -Student Trans. Serv.	22,880	(8,354)	14,526	14,358	168
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	96,000	(13,362)	82,638	82,638	
Other Retirement Contributions - Regular	178,200	(46,850)	131,350	131,350	
Unemployment Compensation	8,000	10,000	18,000	17,999	1
Workmen's Compensation	48,000	8,978	56,978	56,978	
Health Benefits	700,238	134,783	835,021	820,551	14,470
Tuition Reimbursement	20,000	(9,145)	10,855	10,855	
Other Employee Benefits	5,000	(5,000)			
Total Unallocated Benefits - Employee Benefits	1,055,438	79,404	1,134,842	1,120,371	14,471

(Continued)

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
Current Expense (Cont'd):					
Reimbursed TPAF Social Security Contributions (non-budgeted)				232,798	(232,798)
On-behalf TPAF pension contributions (non-budgeted)				95,902	(95,902)
On-behalf TPAF pension post-retirement contributions (non-budgeted)				192,788	(192,788)
Total On-behalf Contributions				521,488	(521,488)
Total Undistributed Expenditures	3,648,034	18,808	3,666,842	4,122,499	(455,657)
Total Current Expense	6,822,829	204,684	7,027,513	7,472,446	(444,933)
Capital Outlay:					
Interest Deposit to Capital Reserve	\$ 6,000	\$ -	\$ 6,000	\$ -	\$ 6,000.00
Equipment:					
Undistributed Expenses					
Support Services - Instruc. Staff	85,000	26,654	111,654	111,654	
Total Equipment	91,000	26,654	117,654	111,654	6,000
Facilities Acquisition and Construction Services:					
Other Objects - Debt Service Assessment	674		674	674	
Lease Purchase Agreements-Principal	98,820		98,820	98,820	
Total Facilities Acquisition and Construction Services	99,494		99,494	99,494	
Total Capital Outlay	190,494	26,654	217,148	211,148	6,000
Total Expenditures	7,013,323	231,338	7,244,661	7,683,594	(438,933)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,656)	(118,972)	(254,628)	(25,091)	229,537
Other Financing Sources (Uses)					
Fund Balances, July 1	538,510		538,510	538,510	
Fund Balances, June 30	\$ 402,854	\$ (118,972)	\$ 283,882	\$ 513,419	\$ 229,537
<b>Recapitulation:</b>					
Restricted Fund Balance:					
Capital Reserve				\$ 6,000	
Excess surplus				28,148	
Committed Fund Balance:					
Year-end Encumbrances				37,868	
Assigned Fund Balance:					
Designated For Subsequent Years Expenditures				11,677	
Unassigned Fund Balance				429,726	
				513,419	
Reconciliation to Governmental Funds Statements (GAAP):					
Last two State Aid Payments 2011-12 Not Recognized on GAAP Basis				(436,553)	
				\$ 76,866	

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - Education Jobs Fund  
 General Fund  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources:					
Education Jobs Fund	<u>\$ -</u>	<u>\$ 156,888</u>	<u>\$ 156,888</u>	<u>\$ 156,888</u>	
Total - Federal Sources		<u>156,888</u>	<u>156,888</u>	<u>156,888</u>	
Total Revenues		<u>156,888</u>	<u>156,888</u>	<u>156,888</u>	
<b>EXPENDITURES:</b>					
Unallocated Benefits					
Health Benefits		<u>156,888</u>	<u>156,888</u>	<u>156,888</u>	
Total Regular Programs - Instruction		<u>156,888</u>	<u>156,888</u>	<u>156,888</u>	
Total Current Expense		<u>156,888</u>	<u>156,888</u>	<u>156,888</u>	
Total Expenditures		<u>156,888</u>	<u>156,888</u>	<u>156,888</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses					
Fund Balances, July 1					
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**

Required Supplementary Information  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Amendments / Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
State Sources:					
School Based Youth Services-- Family Court	\$ 28,000	\$ -	\$ 28,000	\$ 28,000	\$ -
School Based Youth Services	278,182		278,182	278,182	
Perkins Post Secondary	93,980		93,980	93,980	
Total - State Sources	400,162		400,162	400,162	
Federal Sources:					
Workforce Investment Act	107,392	45,511	152,903	75,921	(76,982)
Perkins	82,697		82,697	82,318	(379)
Adult Basic Skills-LA	524,022		524,022	495,747	(28,275)
Adult Basic Skills-Sub-grantee	101,000		101,000	101,000	
I.D.E.A.	108,784	5,847	114,631	109,775	(4,856)
No Child Left Behind I A	45,717	1,860	47,577	47,490	(87)
No Child Left Behind II A	8,523	2,547	11,070	2,051	(9,019)
No Child Left Behind II D		110	110	110	
21st Century Community Learning Center	500,000	33,584	533,584	478,787	(54,797)
Total - Federal Sources	1,478,135	89,459	1,567,594	1,393,199	(174,395)
Other Sources:					
Target Field Trip Grant	700		700	700	
Skills USA		8,700	8,700	8,700	
Total - Other Sources	700	8,700	9,400	9,400	
Total Revenues	1,878,997	98,159	1,977,156	1,802,761	(174,395)

(Continued)

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**

Required Supplementary Information

Budgetary Comparison Schedule

Special Revenue Fund

For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Amendments / Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 298,141	\$ 7,786	\$ 305,927	\$ 304,251	\$ 1,676
Purchased Professional & Technical Services	559,416	(440)	558,976	523,515	35,461
Other Purchased Services	1,400	106	1,506	487	1,019
General Supplies	144,305	306	144,611	133,209	11,402
Other Objects	6,910	(317)	6,593	4,622	1,971
Total Instruction	1,010,172	7,441	1,017,613	966,084	51,529
Support Services:					
Salaries of Principals/Assistant Principals	74,872	2,770	77,642	77,642	
Salaries of Other Professional Staff	258,576	17,690	276,266	235,570	40,696
Salaries of Secretaries & Clerical Assistants	37,874	7,063	44,937	42,933	2,004
Personal Services - Employee Benefits	133,470	28	133,498	123,293	10,205
Purchased Professional Educational Services	17,322	14,286	31,608	23,450	8,158
Other Purchased Professional Services	84,700	12,220	96,920	96,920	
Purchased Technical Services		500	500		500
Rentals	16,200		16,200	16,200	
Contracted Services		8,740	8,740	6,337	2,403
Utilities	9,510	(2,472)	7,038	7,038	
Travel	8,764	1,152	9,916	6,820	3,096
Other Purchased Services	125,364	2,818	128,182	117,863	10,319
Supplies and Materials	5,757	2,202	7,959	6,723	1,236
Other Objects	39,585	24,457	64,042	20,121	43,921
Total Support Services	811,994	91,454	903,448	780,910	122,538
Facilities Acquisition and Construction Services:					
Instructional Equipment	56,831	(736)	56,095	55,767	328
Total Facilities Acquisition & Construction Services	56,831	(736)	56,095	55,767	328
Total Expenditures	1,878,997	98,159	1,977,156	1,802,761	174,395
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended June 30, 2012

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 7,658,503	\$ 1,802,761
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		
Prior Year		118,121
The last two 10-11 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	421,552	
The last two 11-12 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(436,553)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	<u>\$ 7,643,502</u>	<u>\$ 1,920,882</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 7,683,594	\$ 1,802,761
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		-
Prior Year		118,121
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 7,683,594</u>	<u>\$ 1,920,882</u>

## **OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	Total	NCLB Title I, Part A 2011-12	NCLB Title I, Part A 2010-11	NCLB Title II, Part A 2011-12	NCLB Title II, Part A 2010-11	NCLB Title II, Part D 2010-11	Total Brought Forward
<b>REVENUES:</b>							
Federal Sources	\$ 1,393,199	\$ 45,717	\$ 1,773	\$ 1,498	\$ 553	\$ 110	\$ 1,343,548
State Sources	400,162						400,162
Other Sources	9,400						9,400
<b>Total Revenues</b>	<b>1,802,761</b>	<b>45,717</b>	<b>1,773</b>	<b>1,498</b>	<b>553</b>	<b>110</b>	<b>1,753,110</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	304,251	27,358			324		276,569
Purchased Professional & Technical Services	523,515						523,515
Other Purchased Services	487						487
General Supplies	133,209	13,187	459	516			119,047
Other Objects	4,622						4,622
<b>Total Instruction</b>	<b>966,084</b>	<b>40,545</b>	<b>459</b>	<b>516</b>	<b>324</b>		<b>924,240</b>
Support Services:							
Salaries of Principals/Assistant Principals	77,642						77,642
Salaries of Other Professional Staff	235,570						235,570
Salaries of Secretaries & Clerical Assistants	42,933						42,933
Personal Services - Employee Benefits	123,293	5,172			28		118,093
Purchased Professional Educational Services	23,450		1,314		201	110	21,825
Other Purchased Professional Services	96,920						96,920
Rentals	16,200						16,200
Contracted Services	6,337						6,337
Utilities	7,038						7,038
Travel	6,820			982			5,838
Other Purchased Services	117,863						117,863
Supplies and Materials	6,723						6,723
Other Objects	20,121						20,121
<b>Total Support Services</b>	<b>780,910</b>	<b>5,172</b>	<b>1,314</b>	<b>982</b>	<b>229</b>	<b>110</b>	<b>773,103</b>
Facilities Acquisition & Construction Services:							
Non Instructional Equipment							
Instructional Equipment	55,767						55,767
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>55,767</b>						<b>55,767</b>
<b>Total Expenditures</b>	<b>\$ 1,802,761</b>	<b>\$ 45,717</b>	<b>\$ 1,773</b>	<b>\$ 1,498</b>	<b>\$ 553</b>	<b>\$ 110</b>	<b>\$ 1,753,110</b>

(Continued)

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	I.D.E.A. 2011-12	I.D.E.A. 2010-11	Total Brought Forward
<b>REVENUES:</b>				
Federal Sources	\$ 1,343,548	\$ 104,006	\$ 5,769	\$ 1,233,773
State Sources	400,162			400,162
Other Sources	9,400			9,400
<b>Total Revenues</b>	<b>1,753,110</b>	<b>104,006</b>	<b>5,769</b>	<b>1,643,335</b>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers	276,569	69,297		207,272
Purchased Professional & Technical Services	523,515			523,515
Other Purchased Services	487			487
General Supplies	119,047	8,850	3,357	106,840
Other Objects	4,622			4,622
<b>Total Instruction</b>	<b>924,240</b>	<b>78,147</b>	<b>3,357</b>	<b>842,736</b>
Support Services:				
Salaries of Principals/Assistant Principals	77,642			77,642
Salaries of Other Professional Staff	235,570			235,570
Salaries of Secretaries & Clerical Assistants	42,933			42,933
Personal Services - Employee Benefits	118,093	13,859	760	103,474
Purchased Professional Educational Services	21,825	12,000		9,825
Other Purchased Professional Services	96,920			96,920
Rentals	16,200			16,200
Contracted Services	6,337			6,337
Utilities	7,038			7,038
Travel	5,838			5,838
Other Purchased Services	117,863			117,863
Supplies and Materials	6,723		1,652	5,071
Other Objects	20,121			20,121
<b>Total Support Services</b>	<b>773,103</b>	<b>25,859</b>	<b>2,412</b>	<b>744,832</b>
Facilities Acquisition & Construction Services:				
Non Instructional Equipment				
Instructional Equipment	55,767			55,767
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>55,767</b>			<b>55,767</b>
<b>Total Expenditures</b>	<b>\$ 1,753,110</b>	<b>\$ 104,006</b>	<b>\$ 5,769</b>	<b>\$ 1,643,335</b>

(Continued)

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	21st Century 2011-12	21st Century 2010-11	Lead Agent Adult Basic Skills 2011-12	Sub-grantee Adult Basic Skills 2011-12	Total Brought Forward
<b>REVENUES:</b>						
Federal Sources	\$ 1,233,773	\$ 452,711	\$ 26,076	\$ 495,747	\$ 101,000	\$ 158,239
State Sources	400,162					400,162
Other Sources	9,400					9,400
<b>Total Revenues</b>	<b>1,643,335</b>	<b>452,711</b>	<b>26,076</b>	<b>495,747</b>	<b>101,000</b>	<b>567,801</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	207,272	114,498			92,774	
Purchased Professional & Technical Services	523,515	8,570		495,747		19,198
Other Purchased Services	487	412	75			
General Supplies	106,840	5,327	2,188		542	98,783
Other Objects	4,622	3,900	722			
<b>Total Instruction</b>	<b>842,736</b>	<b>132,707</b>	<b>2,985</b>	<b>495,747</b>	<b>93,316</b>	<b>117,981</b>
Support Services:						
Salaries of Principals/Assistant Principals	77,642		2,770			74,872
Salaries of Other Professional Staff	235,570	133,892	5,655			96,023
Salaries of Secretaries & Clerical Assistants	42,933		5,059			37,874
Personal Services - Employee Benefits	103,474	43,052			7,684	52,738
Purchased Professional Educational Services	9,825		575			9,250
Other Purchased Professional Services	96,920	25,000				71,920
Rentals	16,200					16,200
Contracted Services	6,337		6,337			
Utilities	7,038					7,038
Travel	5,838	2,701	112			3,025
Other Purchased Services	117,863	115,238	2,625			
Supplies and Materials	5,071	121				4,950
Other Objects	20,121		(42)			20,163
<b>Total Support Services</b>	<b>744,832</b>	<b>320,004</b>	<b>23,091</b>		<b>7,684</b>	<b>394,053</b>
Facilities Acquisition & Construction Services:						
Non Instructional Equipment						
Instructional Equipment	55,767					55,767
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>55,767</b>					<b>55,767</b>
<b>Total Expenditures</b>	<b>\$ 1,643,335</b>	<b>\$ 452,711</b>	<b>\$ 26,076</b>	<b>\$ 495,747</b>	<b>\$ 101,000</b>	<b>\$ 567,801</b>

(Continued)

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	W.I.A. 2011-12	W.I.A. 2010-11	W.I.A. Out of School 2011-12	W.I.A. Out of School 2010-11	Perkins Secondary 2011-12	Perkins Post Secondary 2011-12	Total Brought Forward
<b>REVENUES:</b>								
Federal Sources	\$ 158,239	\$ 29,807	\$ 21,374	\$ 19,540	\$ 5,200	\$ 82,318	\$ -	\$ -
State Sources	400,162						93,980	306,182
Other Sources	9,400							9,400
<b>Total Revenues</b>	<b>567,801</b>	<b>29,807</b>	<b>21,374</b>	<b>19,540</b>	<b>5,200</b>	<b>82,318</b>	<b>93,980</b>	<b>315,582</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers								
Purchased Professional & Technical Services	19,198					13,544	5,654	
Other Purchased Services								
General Supplies	98,783					47,329	42,754	8,700
Other Objects								
<b>Total Instruction</b>	<b>117,981</b>					<b>60,873</b>	<b>48,408</b>	<b>8,700</b>
Support Services:								
Salaries of Principals/Asst Principals	74,872							74,872
Salaries of Other Professional Staff	96,023	23,201	4,426	16,459	3,506			48,431
Salaries of Secretaries & Clerical Assistants	37,874							37,874
Personal Services - Employee Benefits	52,738	3,777	629	2,612	1,013			44,707
Purchased Professional Educational Services	9,250						9,250	
Other Purchased Professional Services	71,920							71,920
Rentals	16,200							16,200
Contracted Services								
Utilities	7,038							7,038
Travel	3,025	195	40	219	116	2,000		455
Other Purchased Services								
Supplies and Materials	4,950				565			4,385
Other Objects	20,163	2,634	16,279	250				1,000
<b>Total Support Services</b>	<b>394,053</b>	<b>29,807</b>	<b>21,374</b>	<b>19,540</b>	<b>5,200</b>	<b>2,000</b>	<b>9,250</b>	<b>306,882</b>
Facilities Acquisition & Construction Services:								
Non Instructional Equipment								
Instructional Equipment	55,767					19,445	36,322	
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>55,767</b>					<b>19,445</b>	<b>36,322</b>	
<b>Total Expenditures</b>	<b>\$ 567,801</b>	<b>\$ 29,807</b>	<b>\$ 21,374</b>	<b>\$ 19,540</b>	<b>\$ 5,200</b>	<b>\$ 82,318</b>	<b>\$ 93,980</b>	<b>\$ 315,582</b>

(Continued)

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	School Based Youth Services 2011-12	Skills USA 2011-12	Target Field Trip Grant 2011-12	School Based Youth Services Family Court 2011-12	School Based Youth Services Family Court 2010-11
<b>REVENUES:</b>						
Federal Sources						
State Sources	\$ 306,182	\$ 278,182	\$ -	\$ -	12,000	16,000
Other Sources	9,400		8,700	700		
<b>Total Revenues</b>	<b>315,582</b>	<b>278,182</b>	<b>8,700</b>	<b>700</b>	<b>12,000</b>	<b>16,000</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers						
Purchased Professional & Technical Services						
Other Purchased Services						
General Supplies	8,700		8,700			
Other Objects						
<b>Total Instruction</b>	<b>8,700</b>		<b>8,700</b>			
Support Services:						
Salaries of Principals/Asst Principals	74,872	74,872				
Salaries of Other Professional Staff	48,431	48,431				
Salaries of Secretaries & Clerical Assistants	37,874	37,874				
Personal Services - Employee Benefits	44,707	44,707				
Purchased Professional Educational Services						
Other Purchased Professional Services	71,920	43,220		700	12,000	16,000
Rentals	16,200	16,200				
Contracted Services						
Utilities	7,038	7,038				
Travel	455	455				
Other Purchased Services						
Supplies and Materials	4,385	4,385				
Other Objects	1,000	1,000				
<b>Total Support Services</b>	<b>306,882</b>	<b>278,182</b>		<b>700</b>	<b>12,000</b>	<b>16,000</b>
Facilities Acquisition & Construction Services:						
Non Instructional Equipment						
Instructional Equipment						
<b>Total Facilities Acquisition &amp; Construction Services</b>						
<b>Total Expenditures</b>	<b>\$ 315,582</b>	<b>\$ 278,182</b>	<b>\$ 8,700</b>	<b>\$ 700</b>	<b>\$ 12,000</b>	<b>\$ 16,000</b>



## **CAPITAL PROJECTS FUND DETAIL STATEMENT**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2012

<u>Project Title / Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Balance June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction Services-2011 Project	3/29/2011	\$ 893,818	\$ 357,224	\$ 184,809	\$ 351,785
2010 School Energy Savings	4/27/2010	3,190,699	2,415,311	775,388	
		<u>\$ 4,084,517</u>	<u>\$ 2,772,535</u>	<u>\$ 960,197</u>	<u>\$ 351,785</u>
Encumbrances					\$ 123,260
Unreserved - Designated to Subsequent Year's Expenditures					228,525
					<u>\$ 351,785</u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**

**CAPITAL PROJECTS FUND**

Summary Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budgetary Basis

For the Fiscal Year Ended June 30, 2012

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<b>Revenues and Other Financing Sources (Uses)</b>	
State Sources - SCC Grant	
Transfer from Capital Reserve	<hr/>
 Total Revenues	 <hr/>
 <b>Expenditures and Other Financing Uses</b>	
Construction Services-2012 Project	\$ 184,809
Construction Services-ESIP Project	<hr/> 775,388
 Total Expenditures	 <hr/> 960,197
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (960,197)
 Fund Balance - July 1	 <hr/> 1,311,982
 Fund Balance - June 30	 <hr/> \$ 351,785
	 <hr/> <hr/>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
 2011 School Energy Savings  
 From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources (Uses)				
State Sources - SCC Grant				
Capital Lease Proceeds	\$ 3,190,699	\$ -	\$ 3,190,699	\$ 3,190,699
Transfer from Capital Reserve	893,818		893,818	
Total Revenues	<u>4,084,517</u>		<u>4,084,517</u>	<u>3,190,699</u>
Expenditures and Other Financing Uses				
Construction Services-2011 Project	357,224	184,809	542,033	
Construction Services-ESIP Project	<u>2,415,311</u>	<u>775,388</u>	<u>3,190,699</u>	<u>3,190,699</u>
Total Expenditures	<u>2,772,535</u>	<u>960,197</u>	<u>3,732,732</u>	<u>3,190,699</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,311,982</u>	<u>\$ (960,197)</u>	<u>\$ 351,785</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	3,190,699			
Additional Authorized Cost	0			
Revised Authorized Cost	3,190,699			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	1/30/2012			
Revised Target Completion Date	N/A			

## **PROPRIETARY FUND DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all schools within the school district.

**Alternative High School Enterprise Fund** – This fund provides for the operation of the District's Alternative High School.

**Transportation Enterprise Fund** – This fund provides for transportation services provided to other local educational associations.

**Related Services Enterprise Fund** – This fund provides for student support services which are provided to other local educational associations.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Net Assets  
June 30, 2012

	Business Type Activities- Enterprise Funds								
	Food Service	Regional Day School	The Learning Center	Summer Enrichment Program	BCCEC/ ETTC Program	Transitional Production Workshop	Consolidated Services	School Based Youth Services	Total
<b>ASSETS:</b>									
<b>Current Assets:</b>									
Cash and Cash Equivalents	\$ 54,538	\$ (106,131)	\$2,503	\$ 22,159	\$ 181,269	\$ 10,602	\$ 29,637	\$ 17,103	\$ 211,680
Accounts Receivable:									
State	70								70
Federal	2,537								2,537
Other	521	193,878	1,495		32,405				228,299
Inventories	9,545								9,545
<b>Total Current Assets</b>	<b>67,211</b>	<b>87,747</b>	<b>3,998</b>	<b>22,159</b>	<b>213,674</b>	<b>10,602</b>	<b>29,637</b>	<b>17,103</b>	<b>452,131</b>
<b>Noncurrent Assets:</b>									
Site Improvements		77,600							77,600
Building		2,123,900							2,123,900
Equipment		179,585							179,585
Accumulated Depreciation		(1,504,795)							(1,504,795)
<b>Total Noncurrent Assets</b>		<b>876,290</b>							<b>876,290</b>
<b>Total Assets</b>	<b>67,211</b>	<b>964,037</b>	<b>3,998</b>	<b>22,159</b>	<b>213,674</b>	<b>10,602</b>	<b>29,637</b>	<b>17,103</b>	<b>1,328,421</b>
<b>LIABILITIES:</b>									
<b>Current Liabilities:</b>									
Accounts Payable		11,577			276				11,853
Deferred Revenue	1,073				18,716				19,789
Compensated Absences Payable		26,312							26,312
<b>Total Current Liabilities</b>	<b>1,073</b>	<b>37,889</b>			<b>18,992</b>				<b>57,954</b>
<b>NET ASSETS:</b>									
Invested in Capital Assets									
Net of Related Debt		876,290							876,290
Committed - Year-End Encumbrances		22,877			287	145			23,309
Unrestricted	66,138	26,981	3,998	22,159	194,395	10,457	29,637	17,103	370,868
<b>Total Net Assets</b>	<b>\$ 66,138</b>	<b>\$ 926,148</b>	<b>\$ 3,998</b>	<b>\$ 22,159</b>	<b>\$ 194,682</b>	<b>\$ 10,602</b>	<b>\$ 29,637</b>	<b>\$ 17,103</b>	<b>\$ 1,270,467</b>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2012

	Business Type Activities- Enterprise Funds								
	Food Service	Regional Day School	The Learning Center	Summer Enrichment Program	BCCEC/ETTC Program	Transitional Production Workshop	Consolidated Services	School Based Youth Services	Total
<b>OPERATING REVENUES:</b>									
Charges for Services:									
Daily Sales - Reimbursable Programs	\$ 55,167.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,167.00
Daily Sales - Non-Reimbursable Programs	39,492								39,492
Other Sales	11,218								11,218
Tuition		965,624	68,124	112,000					1,145,748
Other Revenue	6,527	359,657		30,000	233,387	1,635	300,733		931,939
Total Operating Revenues	112,404	1,325,281	68,124	142,000	233,387	1,635	300,733		2,183,564
<b>OPERATING EXPENSES:</b>									
Salaries	87,699	677,943	55,218	42,336	114,884				978,080
Employee Benefits		251,242	9,866	1,214	23,829				286,151
Cost of Sales	95,734								95,734
Purchased Educational Services		173,888		19,489	3,700				197,077
Other Purchased Professional Services		75,176			2,920		271,096		349,192
Purchased Technical Services		16,623			5,975				22,598
Cleaning, Repair & Maintenance		3,726							3,726
Insurance		5,321							5,321
Legal		61							61
Rentals				55,592					55,592
Communications		3,755							3,755
Travel	321	2,306			414				3,041
Other Purchased Services	681	118		1,937					2,736
General Supplies		17,345		94	2,305	841			20,585
Utilities		65,499							65,499
Textbooks					5,705				5,705
Miscellaneous		2,346			2,793				5,139
Depreciation		58,195							58,195
Total Operating Expenses	184,435	1,353,544	65,084	120,662	162,525	841	271,096		2,158,187
Operating Income / (Loss)	(72,031)	(28,263)	3,040	21,338	70,862	794	29,637		25,377
<b>NONOPERATING REVENUES (EXPENSES):</b>									
State Sources:									
State School Lunch Program	1,789								1,789
Federal Sources:									
Food Distribution Program	12,107								12,107
National School Lunch Program	56,580								56,580
National School Breakfast Program	5,876								5,876
Interest and Investment Revenue	125								125
Total Non-operating Revenues (Expenses)	76,477								76,477
Income(Loss) before Operating Transfers	4,446	(28,263)	3,040	21,338	70,862	794	29,637		101,854
<b>OTHER FINANCING USES:</b>									
Net Assets -- July 1	61,692	954,411	958	821	123,820	9,808		17,103	1,168,613
Net Assets -- June 30	\$ 66,138	\$ 926,148	\$ 3,998	\$ 22,159	\$ 194,682	\$ 10,602	\$ 29,637	\$ 17,103	\$ 1,270,467

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Enterprise Fund  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2012

	Business Type Activities- Enterprise Funds								
	Food Service	Regional Day School	The Learning Center	Summer Enrichment Program	BCCEC/ ETTC Program	Transitional Production Workshop	Consolidated Services	School Based Youth Services	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:									
Receipts from Customers	\$ 112,404	\$ 1,325,281	\$ 68,124	\$ 142,000	\$ 233,387	\$ 1,635	\$ 300,733	\$ -	\$ 2,183,564
Payments to Employees	(87,699)	(677,943)	(55,218)	(42,336)	(114,884)				(978,080)
Payments for Employee Benefits		(251,242)	(9,866)	(1,214)	(23,829)				(286,151)
Payments to Suppliers	(100,679)	(495,783)	(953)	(77,112)	(22,514)	(841)	(271,096)		(968,978)
Net Cash Provided by (used for) Operating Activities	(75,974)	(99,687)	2,087	21,338	72,160	794	29,637		(49,645)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:									
State Sources	1,789								1,789
Federal Sources	74,563								74,563
Net Cash Provided by (used for) Non-Capital Financing Activities	76,352								76,352
CASH FLOWS FROM INVESTING ACTIVITIES:									
Interest and Dividends	125								125
Net Cash Provided by (used for ) Investing Activities	125								125
Net Increase (Decrease) in Cash and Cash Equivalents	503	(99,687)	2,087	21,338	72,160	794	29,637		26,832
Cash and Cash Equivalents -- July 1	54,035	(6,444)	416	821	109,109	9,808		17,103	184,848
Cash and Equivalents -- June 30	\$ 54,538	\$ (106,131)	\$ 2,503	\$ 22,159	\$ 181,269	\$ 10,602	\$ 29,637	\$ 17,103	\$ 211,680
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Operating Income (Loss)	\$ (72,031)	\$ (28,263)	\$ 3,040	\$ 21,338	\$ 70,862	\$ 794	\$ 29,637	\$ -	\$ 25,377
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:									
Depreciation Expense		58,195							58,195
Changes in Assets and Liabilities:									
Accounts Receivable (Increase)/Decrease	1,968	(99,544)	(953)		(14,491)				(113,020)
Inventory (Increase)/Decrease	(1,642)								(1,642)
Accounts Payable Increase/(Decrease)	(5,342)	(8,073)			276				(13,139)
Deferred Revenue Increase/(Decrease)	1,073				15,513				16,586
Compensated Absences Payable Increase/(Decrease)		(22,002)							(22,002)
Net Cash Provided by (used for) Operating Activities	\$ (75,974)	\$ (99,687)	\$ 2,087	\$ 21,338	\$ 72,160	\$ 794	\$ 29,637	\$ -	\$ (49,645)



## **FIDUCIARY FUNDS DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the schools.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the school district.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Fiduciary Funds  
Combining Statement of Fiduciary Net Assets  
June 30, 2012

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	<u>Agency Funds</u>		
	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	<u>\$ 15,639</u>	<u>\$ 2,628</u>	<u>\$ 18,267</u>
Total Assets	<u><u>\$ 15,639</u></u>	<u><u>\$ 2,628</u></u>	<u><u>\$ 18,267</u></u>
LIABILITIES:			
Payable to Student Groups	<u>\$ 15,639</u>		<u>\$ 15,639</u>
Payroll Deductions and Withholdings		<u>2,628</u>	<u>2,628</u>
Total Liabilities	<u><u>\$15,639</u></u>	<u><u>\$ 2,628</u></u>	<u><u>\$ 18,267</u></u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Fiduciary Funds  
Student Activity Agency Fund Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
Vo Tech	\$ 7,730	\$ 77,883	\$ 69,974	\$ 15,639

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Fiduciary Funds  
Payroll Agency Fund Schedule of Receipts and Disbursements  
For the Fiscal Year Ended June 30, 2012

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	<u>Balance</u> <u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	<u>\$ 2,872</u>	<u>\$ 6,702,801</u>	<u>\$ 6,703,045</u>	<u>\$ 2,628</u>
Total Assets	<u><u>\$ 2,872</u></u>	<u><u>\$ 6,702,801</u></u>	<u><u>\$ 6,703,045</u></u>	<u><u>\$ 2,628</u></u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	<u>\$ 2,872</u>	<u>\$ 3,281,129</u>	<u>\$ 3,281,373</u>	<u>\$ 2,628</u>
Net Payroll		<u>3,421,672</u>	<u>3,421,672</u>	
Total Liabilities	<u><u>\$ 2,872</u></u>	<u><u>\$ 6,702,801</u></u>	<u><u>\$ 6,703,045</u></u>	<u><u>\$ 2,628</u></u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Obligations Under Capital Leases  
For the Fiscal Year Ended June 30, 2012

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue Principal</u>	<u>Interest</u>	<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
2010 School Energy Savings	4/27/2010	15 yrs.	\$ 3,190,699	\$ 1,482,550	4.740%	<u>\$ 3,105,040</u>	<u>\$ -</u>	<u>\$ 98,820</u>	<u>\$ 3,006,220</u>
						(a)			(a)

(a) Future Interest Payments Removed from Carrying Value of Leases.

## **STATISTICAL SECTION**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Net Assets by Component,  
Last Nine Fiscal Years  
*(accrual basis of accounting)*  
Unaudited

	Fiscal Year Ending June 30								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities									
Invested in capital assets, net of related debt	\$ 8,339,893	\$ 8,260,183	\$ 8,352,039	\$ 8,592,297	\$ 8,456,488	\$ 8,632,392	\$ 8,275,193	\$ 7,585,773	\$ 7,745,536
Restricted	3,255,649	3,455,374	3,753,290	3,352,849	2,555,670	2,278,308	1,736,407	1,453,638	397,610
Unrestricted	(118,814)	(21,563)	26,661	68,779	481,692	(75,157)	(120,169)	(188,850)	(101,023)
Total governmental activities net assets	<u>\$ 11,476,728</u>	<u>\$ 11,693,994</u>	<u>\$ 12,131,990</u>	<u>\$ 12,013,925</u>	<u>\$ 11,493,849</u>	<u>\$ 10,835,544</u>	<u>\$ 9,891,431</u>	<u>\$ 8,850,561</u>	<u>\$ 8,042,123</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ 1,284,532	\$ 1,245,375	\$ 1,189,140	\$ 1,133,612	\$ 1,080,169	\$ 1,032,108	\$ 983,395	\$ 934,485	\$ 876,290
Restricted						7,979	16,728	4,930	23,309
Unrestricted	1,195,435	796,979	513,036	402,508	297,064	421,010	384,166	229,198	370,868
Total business-type activities net assets	<u>\$ 2,479,967</u>	<u>\$ 2,042,355</u>	<u>\$ 1,702,176</u>	<u>\$ 1,536,119</u>	<u>\$ 1,377,233</u>	<u>\$ 1,461,097</u>	<u>\$ 1,384,289</u>	<u>\$ 1,168,614</u>	<u>\$ 1,270,467</u>
District-wide									
Invested in capital assets, net of related debt	\$ 9,624,425	\$ 9,505,559	\$ 9,541,179	\$ 9,725,908	\$ 9,536,657	\$ 9,664,501	\$ 9,258,588	\$ 8,520,258	\$ 8,621,826
Restricted	3,255,649	3,455,374	3,753,290	3,352,849	2,555,670	2,286,287	1,753,135	1,458,568	420,919
Unrestricted	1,076,621	775,416	539,697	471,286	778,755	345,853	263,997	40,349	269,845
Total district net assets	<u>\$ 13,956,695</u>	<u>\$ 13,736,349</u>	<u>\$ 13,834,166</u>	<u>\$ 13,550,044</u>	<u>\$ 12,871,082</u>	<u>\$ 12,296,641</u>	<u>\$ 11,275,720</u>	<u>\$ 10,019,174</u>	<u>\$ 9,312,590</u>



SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT

Changes in Net Assets  
Last Ten Fiscal Years  
(accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 486,212	\$ 908,560	\$ 925,732	\$ 1,137,225	\$ 1,027,440	\$ 973,428	\$ 1,108,781	\$ 1,167,138	\$ 1,650,755	\$ 1,859,555.00
Special Vocational Programs		3,361								
Vocational	1,834,644	1,507,561	1,717,946	1,736,092	1,991,462	2,150,347	2,377,718	2,524,598	2,796,045	2,754,285
Other instruction	219	2,909								
School Sponsored Co-Curricular Activities	6,292	11,289	16,760	18,225	25,775	33,528	28,393	33,711	39,236	24,173
Support Services:										
Attendance and Social Work	4,885							108,598	64,152	68,539
Health Services	13,876	18,572	31,753	32,027	36,070	38,224	39,339	42,905	53,618	54,825
Students - Regular	808,337	1,140,939	1,273,430	1,594,417	1,482,731	1,295,086	1,095,181	1,209,421	986,591	1,053,612
Improvement of Instruction Services	139,881	157,195	127,405	152,432	103,932	72,619	99,932	103,739	115,507	164,186
Educational Media/School Library		116,688	124,712	143,228	157,393	175,709	261,741	213,095	151,945	157,649
General Administration	398,657	313,484	364,865	347,825	387,152	442,216	320,379	299,231	214,512	291,309
School Administrative	402,537	244,493	269,553	251,048	188,888	237,652	218,016	203,002	237,117	248,180
Central Services	476,116	362,932	344,415	384,271	373,251	428,650	466,584	396,299	444,854	(302)
Operation and Maintenance of Plant Services	833,103	824,699	832,690	816,110	1,129,284	1,244,916	1,223,044	1,135,174	995,817	80,495
Student Transportation Services	10,496	7,812	8,166	17,881	8,000	11,405	16,529	27,064	13,352	-
Unallocated benefits	446,258	514,718	672,216	798,706	1,082,835	1,171,454	1,121,058	1,245,674	1,492,726	
Capital Outlay	189,217	122,036	2,119							
Special Schools	54,682	26,110								
Unallocated depreciation	15,464	221,688	235,901	277,566	253,768	259,241	280,607	280,617	281,135	617,132
Total governmental activities expenses	6,120,875	6,505,042	6,947,663	7,707,052	8,247,981	8,534,474	8,657,303	8,990,265	9,537,364	7,373,638
Business-type activities:										
Food service	204,433	169,154	164,926	168,115	175,930	195,153	193,588	185,570	176,170	184,435
Regional Day School	1,840,704	1,960,266	1,707,624	1,656,084	1,637,428	1,624,468	1,478,487	1,497,453	1,444,478	1,353,544
Summer Enrichment Program	191,337	17,434	3,172	36,440	194,246	157,356	123,096	105,019	92,092	120,662
BCCEC/ETTC	30,719	44,491		73,985	73,391	76,435	23,577	38,626	97,998	162,525
Air Force Junior ROTC	474	937	1,012		2,026	578				
Transitional Production Workshop	10,000	4,745	2,739	6,893	13,151	13,275	276	1,024		841
Consolidated Services	201,152	235,181	235,214	220,789	217,903	191,415	172,551	248,410	309,380	271,096
School Based Youth Services	341	4,943	10,372		3,211	54		645	60,529	65,084
ETTC Program	45,232		24,912							
Total business-type activities expense	2,524,393	2,437,150	2,149,971	2,162,305	2,317,285	2,258,734	1,991,574	2,076,748	2,180,647	2,158,187
Total district expenses	\$ 8,645,268	\$ 8,942,192	\$ 9,097,634	\$ 9,869,357	\$ 10,565,266	\$ 10,793,207	\$ 10,648,878	\$ 11,067,013	\$ 11,718,010	\$ 9,531,825

Continued

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT

Changes in Net Assets  
Last Nine Fiscal Years  
(accrual basis of accounting)  
Unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Fiscal Year Ending June 30,										
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 218,930	\$ 88,732	\$ 221,000	\$ 284,375	\$ 250,198	\$ 370,898	\$ 331,558	\$ 395,344	\$ 404,740	\$ 654,536
Operating grants and contributions	1,111,148	1,693,014	1,722,628	2,349,258	2,378,436	1,832,367	1,703,769	1,802,658	1,930,251	2,268,482
Capital grants and contributions										
Total governmental activities program revenues	1,330,078	1,781,746	1,943,628	2,633,633	2,628,634	2,203,265	2,035,327	2,198,002	2,334,990	2,923,018
Business-type activities:										
Charges for services										
Food service	179,622	91,595	102,554	128,489	129,888	145,663	138,789	143,393	112,037	112,404
Regional Day School	1,703,579	1,559,809	1,284,193	1,326,219	1,584,111	1,556,507	1,556,902	1,389,762	1,202,642	1,325,281
Summer Enrichment Program	61,540	58,360	10,481	82,530	119,841	137,661	134,060	105,019	92,092	142,000
BCCEC/ETTC	4,919	52,125		52,351	27,533	17,000	10,770	37,119	112,018	233,387
Air Force Junior ROTC	2,844	5,074	4,718	320	4,732	828				
Transitional Production Workshop	8,926	6,931		10,633	7,672	2,223	4,155	5,877	1,761	1,635
Consolidated Services	201,152	235,181	235,214	220,789	217,903	191,415	172,551	248,410	309,380	300,733
School Based Youth Services	12,500	12,500	12,500	10,000	10,000	10,000				
ETTC Program & The Learning Center	14,538		22,857						40,487	68,124
Operating grants and contributions	39,456	32,832	39,844	40,905	49,409	50,839	60,813	70,259	68,813	76,352
Total business type activities program revenues	2,229,075	2,054,408	1,712,360	1,872,235	2,151,090	2,112,136	2,078,039	1,999,841	1,939,230	2,259,916
Total district program revenues	\$ 3,559,154	\$ 3,836,153	\$ 3,655,988	\$ 4,505,868	\$ 4,779,723	\$ 4,315,401	\$ 4,113,366	\$ 4,197,842	\$ 4,274,221	\$ 5,182,934
<b>Net (Expense)/Revenue</b>										
Governmental activities	4,790,796	4,723,297	5,004,035	5,073,419	5,619,347	6,331,208	6,621,976	6,792,263	7,202,373	5,720,936
Business-type activities	295,318	382,742	437,611	290,070	166,196	146,597	(86,464)	76,907	241,417	(101,729)
Total district-wide net expense	\$ 5,086,114	\$ 5,106,039	\$ 5,441,646	\$ 5,363,489	\$ 5,785,543	\$ 6,477,806	\$ 6,535,512	\$ 6,869,170	\$ 7,443,790	\$ 5,619,207
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
County of Salem Budget Appropriation	\$ 1,357,597	\$ 1,357,597	\$ 1,400,000	\$ 1,465,000	\$ 1,530,000	\$ 1,595,000	\$ 1,660,000	\$ 1,660,000	\$ 1,792,900	\$ 1,792,900
Federal and State Aid Unrestricted	3,145,668	3,366,327	3,490,832	3,527,529	3,505,863	3,848,080	4,086,043	3,993,785		
Federal and State Aid Restricted	296,982	229,375	119,811	147,568	136,454	95,516	103,025	82,470	4,344,679	4,567,036
Transferred Locations/ Use of Capital Assets				4,159						
Loss on Disposal of Capital Assets						(6,823)	(16,860)			
Capital Outlay Contributions				43,331			(2,387)			
Miscellaneous income	62,839	186,797	173,378	323,828	328,965	279,360	133,849	111,895	44,924	163,309
Transfers	(111,169)	(64,520)	(41,695)							
Total governmental activities	4,751,917	5,075,576	5,142,325	5,511,415	5,501,282	5,811,133	5,963,670	5,848,150	6,182,503	6,523,245
Business-type activities:										
Miscellaneous Income				237	411	451	86	99	157	125
PY Revenue Refund to State of NJ				(5,143)						
Cancellation of PY Receivables				(20)	(381)					
Cancellation of PY Purchase Order					109					
Transferred Locations/ Use of Capital Assets				(1,851)						
Loss on Disposal of Capital Assets							(1,893)			
Returned to Grantor							(15,921)			
Capital Outlay Contributions				(43,331)			2,387		4,584	-
Transfers	528,128	53,170	-		139	451	(15,341)	99	4,741	125
Total business-type activities	528,128	53,170	-	(50,109)	139	451	(15,341)	99	4,741	125
Total district-wide	\$ 5,280,045	\$ 5,128,747	\$ 5,142,325	\$ 5,461,306	\$ 5,501,421	\$ 5,811,585	\$ 5,948,330	\$ 5,848,250	\$ 6,187,244	\$ 6,523,370
<b>Change in Net Assets</b>										
Governmental activities	\$ (38,879)	\$ 352,280	\$ 138,290	\$ 437,996	\$ (118,065)	\$ (520,075)	\$ (658,306)	\$ (944,113)	\$ (1,019,870)	\$ 802,309
Business-type activities	232,811	(329,572)	(437,611)	(340,179)	(166,057)	(146,146)	71,124	(76,808)	(236,675)	101,854
Total district	\$ 193,931	\$ 22,708	\$ (299,321)	\$ 97,817	\$ (284,122)	\$ (666,221)	\$ (587,182)	\$ (1,020,921)	\$ (1,256,545)	\$ 904,163

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**

Fund Balances, Governmental Funds,

Last Nine Fiscal Years

(modified accrual basis of accounting)

Unaudited

	Fiscal Year Ending June 30								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	\$ 3,225,337	\$ 3,455,374	\$ 3,753,290	\$ 3,352,849	\$ 2,548,755	\$ 2,278,308	\$ 1,736,407	\$ 260,627	\$ 83,693
Unreserved	104,251	126,008	143,613	184,949	195,894	(20,827)	(54,801)	(143,670)	(6,827)
Total general fund	<u>\$ 3,329,588</u>	<u>\$ 3,581,382</u>	<u>\$ 3,896,903</u>	<u>\$ 3,537,798</u>	<u>\$ 2,744,649</u>	<u>\$ 2,257,482</u>	<u>\$ 1,681,606</u>	<u>\$ 116,958</u>	<u>\$ 76,866</u>
All Other Governmental Funds									
Reserved	\$ 13,000								
Unreserved, reported in:									
Special revenue fund	(1,551)	\$ (1,551)	\$ (1,551)	\$ (1,551)	\$ (1,551)				
Capital projects fund	73						\$ 2,233,489	\$ 1,311,982	\$ 351,785
Total all other governmental funds	<u>\$ 11,522</u>	<u>\$ (1,551)</u>	<u>\$ (1,551)</u>	<u>\$ (1,551)</u>	<u>\$ (1,551)</u>	<u>\$ -</u>	<u>\$ 2,233,489</u>	<u>\$ 1,311,982</u>	<u>\$ 351,785</u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Changes in Fund Balances, Governmental Funds,  
Last Nine Fiscal Years  
(modified accrual basis of accounting)  
Unaudited

	Fiscal Year Ending June 30								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>									
County of Salem Budget Appropriation	\$ 1,357,597	\$ 1,400,000	\$ 1,465,000	\$ 1,530,000	\$ 1,595,000	\$ 1,660,000	\$ 1,660,000	\$ 1,792,900	\$ 1,792,900
Tuition charges	88,732	221,000	284,375	250,198	370,898	331,558	395,344	404,740	654,536
Unrestricted Miscellaneous Revenue	186,797	173,378	323,828	328,965	279,360	133,849	111,895	44,924	172,709
State sources	4,067,616	4,300,998	4,359,944	4,518,118	4,693,360	4,963,369	4,150,346	5,056,789	5,276,031
Federal sources	1,221,100	1,032,273	1,664,412	1,495,260	1,082,322	918,479	1,727,758	1,218,141	1,550,087
Other sources				7,375	281	10,989	808	-	-
<b>Total revenue</b>	<b>6,921,842</b>	<b>7,127,648</b>	<b>8,097,558</b>	<b>8,129,915</b>	<b>8,021,221</b>	<b>8,018,244</b>	<b>8,046,152</b>	<b>8,517,493</b>	<b>9,446,263</b>
<b>Expenditures</b>									
<b>Instruction</b>									
Regular Instruction	764,180	780,396	1,006,992	983,306	928,343	1,059,979	1,118,335	1,601,862	1,752,228
Special Vocational Programs	3,361								
Vocational education	1,507,561	1,725,041	1,733,829	1,903,195	2,060,176	2,280,115	2,426,993	2,698,259	2,539,630
Other instruction	1,720								
School Sponsored Co/Extra Curricular Activities	11,289	16,760	18,225	25,775	33,528	28,393	33,711	39,236	24,173
<b>Support Services:</b>									
Attendance & Social Work							108,598	64,152	68,539
Health Services	18,572	31,753	32,027	36,070	38,224	39,339	42,905	53,618	54,825
Students - Regular	1,140,939	1,273,430	1,594,417	1,482,731	1,295,086	1,095,181	1,209,421	986,591	1,053,612
Improvement of Instruction Services	157,195	127,405	152,432	103,932	72,619	99,932	103,739	115,507	164,186
Educational Media/School Library	116,688	124,712	143,228	157,393	175,709	261,741	213,095	151,945	157,649
General Administration	313,484	364,865	347,825	365,085	408,402	295,979	274,829	193,071	244,243
School Administrative	244,493	269,553	251,048	188,888	237,652	218,016	203,002	237,117	248,180
Central Services	333,068	322,650	362,159	376,903	428,650	466,584	396,299	413,033	383,020
Operation and Maintenance of Plant Services	811,858	835,036	840,932	1,133,275	1,222,373	1,186,443	1,098,572	959,147	872,938
Student Transportation Services	874	2,541	880	8,000	11,405	16,529	27,064	13,352	14,358
Unallocated Benefits	424,002	478,966	513,087	590,310	659,782	708,469	808,138	995,640	1,120,371
On Behalf Contributions	243,071	251,503	316,238	493,307	558,640	425,911	426,498	428,965	521,488
Special Schools	26,110								
Capital outlay	318,269	242,622	468,719	640,848	321,867	683,164	1,088,040	2,031,154	1,227,112
<b>Total expenditures</b>	<b>6,436,732</b>	<b>6,847,232</b>	<b>7,782,037</b>	<b>8,489,021</b>	<b>8,452,455</b>	<b>8,865,776</b>	<b>9,579,237</b>	<b>10,982,649</b>	<b>10,446,552</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>485,110</b>	<b>280,416</b>	<b>315,521</b>	<b>(359,106)</b>	<b>(431,234)</b>	<b>(847,531)</b>	<b>(1,533,085)</b>	<b>(2,465,156)</b>	<b>(1,000,289)</b>
<b>Other Financing sources (uses)</b>									
Special Rev Fund Return of PY Unexpended Funds	(966)								
Cancellation of Prior Years Accounts Receivable		(41,695)							
Capital Lease Proceeds							3,190,699		
Transfers in	246,705	73			400,000	122,004			
Transfers out	(310,258)	(73)			(400,000)	(122,004)		(21,000)	
<b>Total other financing sources (uses)</b>	<b>(64,520)</b>	<b>(41,695)</b>					<b>3,190,699</b>	<b>(21,000)</b>	
<b>Net change in fund balances</b>	<b>\$ 420,590</b>	<b>\$ 238,721</b>	<b>\$ 315,521</b>	<b>\$ (359,106)</b>	<b>\$ (431,234)</b>	<b>\$ (847,531)</b>	<b>\$ 1,657,614</b>	<b>\$ (2,486,156)</b>	<b>\$ (1,000,289)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
General Fund - Other Local Revenue By Source  
Last Ten Fiscal Years  
*Unaudited*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Tuition	\$ 218,930	\$ 51,965	\$ 221,000	\$ 284,375	\$ 250,198	\$ 370,898	\$ 331,558	\$ 395,344	\$ 392,340	\$ 654,536
Post Secondary		36,767	3,300	18,328	4,480	14,850	25,050	10,785	12,400	
Interest Earned on Capital Reserve Funds			11,809	24,486	41,944	43,485	6,000	6,000	6,000	
Interest on Investments	30,191	17,332	66,852	124,093	187,855	121,037	66,337	20,672	1,124	2,972
Child Care Revenue			1,625	-						
Refunds of Prior Year Expenditures		32,435	18,172	-		10,988		23,898	19,833	6,996
Sale of Fixed Assets	3,718	9,214		5,437		10,001	6,215			
Rentals	2,650	8,050	10,016	10,997	1,191				1,000	
Supplement Services Provider		80,000							5,000	
NJ Schools Construction Corporation				90,608	15,854					
NJ Clean Energy Program								21,034		5,712
PSE&G								10,000	10,000	
ESIP Incentive										144,610
Miscellaneous	11,187	30,176	61,603	49,880	77,641	78,999	30,247	19,507	1,967	3,019
Total	<u>\$ 266,676</u>	<u>\$ 265,939</u>	<u>\$ 394,378</u>	<u>\$ 608,202</u>	<u>\$ 579,162</u>	<u>\$ 650,258</u>	<u>\$ 465,407</u>	<u>\$ 507,239</u>	<u>\$ 449,664</u>	<u>\$ 817,845</u>

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

*Unaudited*

Fiscal Year Ended June 30,	Governmental Activities				Business Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Early Retirement	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2012			\$ 3,006,220			\$ 3,006,220	0.00110	\$ 45.62
2011			3,105,040			3,105,040	0.1163%	47.12
2010			3,190,699			3,190,699	0.1218%	48.35
2009						-	not available	
2008		\$ 15,462				15,462	0.0006%	0.23
2007		30,924				30,924	0.0013%	0.47
2006		46,386				46,386	0.0020%	0.70
2005		61,848	74,663			136,511	0.0063%	2.09
2004		78,310	108,750			187,060	0.0089%	2.88
2003		93,772	140,842			234,614	0.0118%	3.64

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**a** Personal income has been estimated upon the county population and per capita

**b** Per Capital personal income estimated based upon the 2000 Census published

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Demographic and Economic Statistics  
Last Ten Years  
*Unaudited*

<u>Year</u>	<u>Population (3)</u>	<u>Personal Income (4)</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate (2)</u>
2012	65,899	2,722,158,633	41,308	10.70%
2011	65,902	2,668,904,468	40,498	10.80%
2010	65,996	2,620,305,184	39,704	11.30%
2009	66,342	2,557,417,758	38,549	10.70%
2008	66,194	2,593,878,084	39,186	6.30%
2007	65,981	2,403,885,773	36,433	4.90%
2006	65,929	2,288,395,590	34,710	5.00%
2005	65,465	2,160,999,650	33,010	4.80%
2004	64,914	2,111,133,108	32,522	5.50%
2003	64,407	1,991,400,033	30,919	6.90%

(1) Source: Regional Economic Information System

(2) Source: US Bureau of Economic Analysis

(3) Source: US Department of Commerce, Bureau of Census Population Division

(4) Source: Personal income has been estimated based upon the county population and per capita

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years  
*Unaudited*

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction										
Regular	10	10	9	9	11	11	12	16	14	17
Vocational	15	15	22	22	22	22	23	20	21	22
Support Services:										
Student & instruction related services	4	5	6	6	7	7	8	10	10	12
Health Services	1	1	1	1	1	1	1	1	1	1
General administration	3	3	3	3	3	3	3	2	2	2
School administrative services	7	7	5	5	5	5	5	5	5	5
Other administrative services	2	3	5	5	5	5	5	5	5	3
Central services	10	5	7	7	7	7	7	7	7	4
Administrative Information Technology	1	2								
Plant operations and maintenance	12	15	10	10	10	10	10	11	12	11
Other:										
Cafeteria					3	3	3	3	3	4
Regional Day School					22	22	22	25	25	22
Total	<u>65</u>	<u>66</u>	<u>68</u>	<u>68</u>	<u>96</u>	<u>96</u>	<u>99</u>	<u>105</u>	<u>105</u>	<u>103</u>

**Source:** District Personnel Records



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Operating Statistics,  
Last Nine Fiscal Years  
*Unaudited*

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures <sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff <sup>b</sup></b>	<b>Pupil/ Teacher Ratio Elementary</b>	<b>Middle School</b>	<b>Senior High School</b>	<b>Average Daily Enrollment (ADE) <sup>c</sup></b>	<b>Average Daily Attendance (ADA) <sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2012	816	7,866,486	9,640	-9.21%	39	na	na	20.92	810.0	771.9	51.12%	95.30%
2011	843	8,951,495	10,619	-1.33%	35	na	na	24.09	536.0	504.0	-19.57%	94.03%
2010	789	8,491,197	10,762	-8.72%	35	na	na	22.54	666.4	635.5	3.40%	95.36%
2009	694	8,182,612	11,791	0.49%	35	na	na	19.83	644.5	611.6	13.27%	94.90%
2008	693	8,130,588	11,732	-1.78%	33	na	na	21.00	569.0	532.0	14.26%	93.50%
2007	657	7,848,173	11,945	-1.34%	33	na	na	19.91	498.0	466.4	5.73%	93.65%
2006	604	7,313,318	12,108	9.63%	31	na	na	19.48	471.0	439.9	3.81%	93.40%
2005	598	6,604,610	11,044	11.92%	31	na	na	19.29	453.7	426.0	0.82%	93.89%
2004	620	6,118,463	9,868	na	25	na	na	24.80	450.0	420.4	4.41%	93.42%

**Sources:** District records

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b><u>District Building</u></b>										
<b><u>Vocational School</u></b>										
Salem County Vocational (1973)										
Square Feet	126,786	136,356	136,356	136,356	136,356	136,356	136,356	136,356	136,356	136,356
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment (Full-time equivalent)	482	468	462	501	506	540	560	677	686	695 *
Number of Schools at June 30, 2012										
Elementary = 0										
Middle School = 0										
Senior High School = 0										
Vo-Tech = 1	1	1	1	1	1	1	1	1	1	1

**Source:** District Facilities Office

\* = includes academy students

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Schedule of Required Maintenance  
Last Ten Fiscal Years  
*Unaudited*

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Undistributed Expenditures - Required Maintenance for School Facilities

11-000-261-xxx

		<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>* School Facilities</u>	<u>Project # (s)</u>										
Salem County Vocational School	N/A	<u>\$ 194,867</u>	<u>\$ 197,378</u>	<u>\$ 266,363</u>	<u>\$ 271,133</u>	<u>\$ 469,447</u>	<u>\$ 514,030</u>	<u>\$ 424,413</u>	<u>\$ 337,165</u>	<u>\$ 221,957</u>	<u>\$ 181,183</u>
Total School Facilities		<u>194,867</u>	<u>197,378</u>	<u>266,363</u>	<u>271,133</u>	<u>469,447</u>	<u>514,030</u>	<u>424,413</u>	<u>337,165</u>	<u>221,957</u>	<u>181,183</u>
Total		<u>\$ 194,867</u>	<u>\$ 197,378</u>	<u>\$ 266,363</u>	<u>\$ 271,133</u>	<u>\$ 469,447</u>	<u>\$ 514,030</u>	<u>\$ 424,413</u>	<u>\$ 337,165</u>	<u>\$ 221,957</u>	<u>\$ 181,183</u>

\* School facilities as defined under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
Insurance Schedule  
6/30/2012  
*Unaudited*

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	<u>Coverage</u>	<u>GCSSDJIF SIR Retention</u>	<u>District Deductible</u>
Property Policy	\$ 150,000,000	\$ 250,000	\$ 500
Boiler & Machinery / Equipment Breakdown	125,000,000		1,000
Crime Policy	500,000	250,000	500
General Liability and Automobile Policy	10,000,000	250,000	
Workers' Compensation and Employer's Liability Policy	Statutory	250,000	
Educator's Legal Liability Insurance Policy	10,000,000	100,000	
Commercial Pollution and Mold Legal Liability Insurance	3,000,000		25,000
Bonds			
Board Secretary	50,000		
Treasurer of School Funds	183,000		

Source: District Records

**SINGLE AUDIT SECTION**

# **NIGHTLINGER, COLAVITA & VOLPA**

*A Professional Association*

*Certified Public Accountants*

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P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245

November 19, 2012

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable President and  
Members of the Board of Education  
Salem County Vocational Technical School District  
County of Salem, New Jersey 08079

We have audited the financial statements of the governmental activities, the business – type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education of the Salem County Vocational Technical School District's basic financial statements and have issued our report thereon dated October 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

### **Internal Control Over Financial Reporting**

Management of the Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Salem County Vocational Technical Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Salem County Vocational Technical Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Salem County Vocational Technical Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

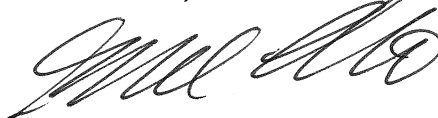
As part of obtaining reasonable assurance about whether the Salem County Vocational Technical Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards** and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted four other immaterial matters that were reported to the Board of Education of the Salem County Vocational Technical School District in a separate report entitled, Auditor's Management Report on Administrative Findings-Financial Compliance and Performance dated November 19, 2012.

This report is intended solely for the information and use of the audit committee, management, the Salem County Vocational Technical Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915

# NIGHTLINGER, COLAVITA & VOLPA

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November 19, 2012

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and  
Members of the Board of Education  
Salem County Vocational Technical School District  
County of Salem, New Jersey 08079

### Compliance

We have audited the Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the **OMB Circular A-133 Compliance Supplement** and **New Jersey State Aid/Grant Compliance Supplement** that could have a direct and material effect on each Salem County Vocational Technical School District's major federal and state programs for the fiscal year ended June 30, 2012. The Salem County Vocational Technical Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Salem County Vocational Technical Board of Education's management. Our responsibility is to express an opinion on the Salem County Vocational Technical Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 04-04, **Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid**. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Salem County Vocational Technical Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Salem County Vocational Technical Board of Education's compliance with those requirements.



In our opinion, the Board of Education of the Salem County Vocational Technical School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

### **Internal Control Over Compliance**

Management of the Salem County Vocational Technical School District's Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Salem County Vocational Technical Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Salem County Vocational Technical School District's Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, the Salem County Vocational Technical Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards, Schedule A  
For the Fiscal Year Ended June 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011	Due to Grantor at June 30, 2011	(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance June 30, 2012		
				From	To	Deferred Revenue (Accounts Receivable)						(Accounts Receivable)	Deferred Revenue	Due to Grantor at June 30, 2012
<u>General Fund:</u>														
<u>U.S. Department of Education:</u>														
Passed-Through State Department of Education:														
Education Jobs Fund	84.410A	N/A	\$ 156,888	7/1/11	6/30/12				\$ 156,888	\$ (156,888)				
General Fund - Total U.S. Department of Education									156,888	(156,888)				
<u>Special Revenue Fund:</u>														
<u>U.S. Department of Education:</u>														
Passed-Through State Department of Education:														
Title I	84.010A	NCLB464012	45,717	9/1/11	8/31/12				28,444	(45,717)		\$ (17,273)		
Title I	84.010A	NCLB464011	49,900	9/1/10	8/31/11	\$ (29,910)			31,500	(1,773)		(183)		
ARRA - Title I Part A	84.389A	NCLB464011	5,527	9/1/10	8/31/11	(5,527)			5,527					
Title II Part A	84.367A	NCLB464010	11,781	9/1/09	8/31/10		\$ 459				\$ (459) A			
Title II Part A	84.367A	NCLB464011	13,161	9/1/10	8/31/11	(3,264)			3,817	(553)				
Title II Part A	84.367A	NCLB464012	10,517	9/1/11	8/31/12				835	(1,498)		(663)		
Title II Part D	84.281	NCLB464011	110	9/1/10	8/31/11				110	(110)				
Title IV	84.186A	NCLB464010	1,167	9/1/09	8/31/10		1				(1) A			
IDEA	84.027	IDEA464012	108,784	9/1/11	8/31/12				76,230	(104,006)		(27,776)		
IDEA	84.027	IDEA464011	5,847	9/1/10	8/31/11	(44,416)			50,185	(5,769)				
IDEA	84.027	IDEA464010	85,863	9/1/09	8/31/10		129				(129) A			
ARRA - IDEA	84.391	IDEA464010	126,314	9/1/09	8/31/10	(26,068)	3		26,064		1 A			
Perkins - Secondary	84.048A	PERK464012	82,697	7/1/11	6/30/12				82,318	(82,318)				
Perkins - Secondary	84.048A	PERK464011	69,402	7/1/10	6/30/11	(12,852)			12,852					
Perkins - Secondary	84.048A	PERK464010	69,394	7/1/09	6/30/10		47				(47) A			
21st Century	84.287C	8,000,026	500,000	7/1/09	6/30/10		127				(127) A			
21st Century	84.287C	8,000,026	500,000	9/1/10	8/31/11	(177,096)			203,172	(26,076)				
21st Century	84.287C	8,000,026	500,000	9/1/11	8/31/12				411,284	(452,711)		(41,427)		
Passed-Through State Department of Labor and Workforce Development:														
Adult Basic Skills	84.002	Sub grantee	141,500	7/1/11	6/30/12				85,951	(101,000)		(15,049)		
Adult Basic Skills	84.002	Lead Agent	524,022	7/1/11	6/30/12				405,595	(495,747)		(90,152)		
Adult Basic Skills	84.002	Sub grantee	53,000	7/1/10	6/30/11	(7,944)			7,944					
Adult Basic Skills	84.002	Lead Agent	406,477	7/1/10	6/30/11	(118,018)			118,018		4,882 B	\$ 4,882		
Passed-Through Cumberland County Office of Employment and Training:														
Adult Basic Skills - GED	84.002	08-121A	12,000	7/1/09	6/30/10		20				(20) A			
Special Revenue Fund - Total U.S. Department of Education						(425,095)	786		1,549,846	(1,317,278)	4,100	(192,523)	4,882	
Total U.S. Department of Education						(425,095)	786		1,706,734	(1,474,166)	4,100	(192,523)	4,882	
<u>U.S. Department of Labor:</u>														
Passed-Through Salem County One-Stop Management Team:														
Workforce Investment Act	17.250	WIA YOUTH 2011-0	56,820	9/1/10	8/31/11	(4,537)			25,911	(21,374)				
Workforce Investment Act	17.250	WIA YOUTH 2012-0	67,392	9/1/11	8/31/12				25,157	(29,807)		(4,650)		
Workforce Investment Act Out of School	17.250	WIA YOUTH 2012-0	40,000	9/1/11	8/31/12				17,913	(19,540)		(1,627)		
Workforce Investment Act Out of School	17.250	WIA YOUTH 2011-0	6,728	9/1/10	8/31/11	(8,649)			13,849	(5,200)				
Total U.S. Department of Labor						(13,186)			82,830	(75,921)		(6,277)		
Total Special Revenue Fund						(438,281)	786		1,632,676	(1,393,199)	4,100	(198,800)	4,882	
<u>Enterprise Fund:</u>														
<u>U.S. Department of Agriculture:</u>														
Passed Through State Department of Education:														
National School Breakfast Program	10.553	N/A	5,436	7/1/10	6/30/11	(450)			450					
National School Lunch Program	10.555	N/A	55,576	7/1/10	6/30/11	(3,560)			3,560					
Food Distribution Program	10.565	N/A	12,107	7/1/11	6/30/12				12,107	(12,107)				
National School Breakfast Program	10.553	N/A	5,876	7/1/11	6/30/12				5,606	(5,876)		(270)		
National School Lunch Program	10.555	N/A	56,580	7/1/11	6/30/12				54,313	(56,580)		(2,267)		
Total U.S Department of Agriculture and Enterprise Funds						(4,010)			76,036	(74,563)		(2,537)		
Total Federal Financial Assistance						\$ (442,291)	\$ 786		\$ 1,865,600	\$ (1,624,650)	\$ 4,100	\$ (201,337)	\$ 4,882	

(A) Canceled / Adjustment

(B) Prior Year Encumbrance Canceled

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance, Schedule B  
For the Fiscal Year Ended June 30, 2012

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance June 30, 2012			Memo	
			From	To	Deferred Revenue (Accounts Receivable)				(Accounts Receivable)	Deferred Revenue	Due to Grantor at 6/30/12	Budgetary Receivable June 30, 2012	Cumulative Total Expenditures
State Department of Education (State Aid):													
General Fund:													
Special Education Aid	12-495-034-5120-089	\$ 348,405	7/1/11	6/30/12			\$ 314,316	\$ (348,405)				\$ (34,089)	\$ (348,405)
Special Education Aid	11-495-034-5120-089	348,405	7/1/10	6/30/11	\$ (38,672)		38,672						
Equalization Aid	12-495-034-5120-078	4,017,802	7/1/11	6/30/12			3,614,665	(4,017,802)				(403,137)	(4,017,802)
Equalization Aid	11-495-034-5120-078	3,868,202	7/1/10	6/30/11	(382,880)		382,880						
Anti-Bullying Aid	N/A	3,175	7/1/11	6/30/12			3,175	(3,175)					
On Behalf Pension Contributions	12-495-034-5095-006	95,902	7/1/11	6/30/12			95,902	(95,902)					(95,902)
On Behalf TPAF Post Retirmt. Medical C	12-495-034-5095-002	192,788	7/1/11	6/30/12			192,788	(192,788)					
TPAF Social Security Contributions	11-100-034-5095-002	241,006	7/1/10	6/30/11	(11,449)		11,449						
TPAF Social Security Contributions	12-100-034-5095-002	232,798	7/1/11	6/30/12			221,735	(232,798)	\$(11,063)				(232,798)
Total General Fund					(433,001)		4,875,582	(4,890,870)	(11,063)			(437,226)	(4,694,907)
Special Revenue Fund:													
State Department of Education:													
Carl D. Perkins - Post Secondary	PSFS464011	83,454	7/1/10	6/30/11	(44,151)		44,151						
Carl D. Perkins - Post Secondary	PSFS464012	93,980	7/1/11	6/30/12			93,980	(93,980)					
Total State Department of Education					(44,151)		138,131	(93,980)					
State Department of Human Services:													
School Based Youth Services	SB05035	278,182	7/1/11	6/30/12			278,182	(278,182)					(278,182)
School Based Youth Services	SB05035	16,000	7/1/11	6/30/12			16,000	(12,000)	\$ 4,000				(12,000)
School Based Youth services--Family Court	Not Available	16,000	7/1/10	6/30/11	16,000			(16,000)					(16,000)
Total State Department of Human Services					16,000		294,182	(306,182)		4,000			(306,182)
Total Special Revenue Fund					(28,151)		432,313	(400,162)		4,000			(306,182)
Enterprise Fund:													
State School Lunch Program	11-100-010-3350-023	1,717	7/1/10	6/30/11	(115)		115						
State School Lunch Program	12-100-010-3350-023	1,789	7/1/11	6/30/12			1,719	(1,789)	(70)				(1,789)
Total Enterprise Funds					(115)		1,834	(1,789)	(70)				(1,789)
Total State Financial Assistance					\$ (461,267)		\$ 5,309,729	\$ (5,292,821)	\$(11,133)	\$ 4,000		\$ (437,226)	\$ (5,002,878)

(A) Canceled / Adjustment

(B) Prior Year Encumbrance Canceled

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2012**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Salem County Vocational Technical School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits for States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A., 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A., 18A:22-44.2*.

There were no net adjustments to reconcile from the budgetary basis to the GAAP basis for the general fund and an adjustment in the special revenue fund of \$118,121. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2012**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 156,888	\$ 4,875,869	\$ 5,032,757
Special Revenue Fund	1,393,199	400,162	1,793,361
Food Service Fund	<u>74,563</u>	<u>1,789</u>	<u>76,352</u>
Total Awards & Financial Assistance	\$ <u>1,624,650</u>	\$ <u>5,277,820</u>	\$ <u>6,902,470</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

The Salem County Vocational Technical School District had no outstanding loans at June 30, 2012.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**NOTE 7: SCHOOLWIDE PROGRAM FUNDS**

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

**NOTE 8: MAJOR PROGRAMS**

The award designated as a major program is identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

**NOTE 9: ADJUSTMENTS**

Amounts reported in the column entitled "Adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2011-12 as well as cancellations.

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- 1) Material weakness (es) identified? \_\_\_\_\_ yes X no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes X none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes X no

**Federal Awards**

Internal control over major programs:

- 1) Material weakness (es) identified? \_\_\_\_\_ yes X no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes X none reported

Type of auditor's report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes X no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.287	21 <sup>st</sup> Century
84.002	Workforce Development – Adult Basic Skills

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no

**EXHIBIT K-6**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)**

**Section I - Summary of Auditor's Results (continued)**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes X no

Internal control over major programs:

1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ X no

2) Significant deficiencies identified that  
are not considered to be material  
weaknesses? \_\_\_\_\_ yes \_\_\_\_\_ X none  
reported

Type of auditor's report issued on compliance for major programs: \_\_\_\_\_ Unqualified Opinion

Any audit findings disclosed that are required to  
be reported in accordance with NJOMB  
Circular Letter 04-04 \_\_\_\_\_ X yes \_\_\_\_\_ no

Identification of major programs:

**GMIS Number(s)**

SB05035  
12-495-034-5120-078  
12-495-034-5120-089

**Name of State Program**

School Based Youth Services  
Equalization Aid  
Special Education Aid

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)**

**Section II - Financial Statement Findings**

**Finding:** NONE

**Criteria or specific requirement:**

**Condition:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**



**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)**

**Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

**FEDERAL AWARDS**

**Finding: NONE**

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**STATE FINANCIAL ASSISTANCE**

**Finding: NONE**

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**SALEM COUNTY VOCATIONAL TECHNICAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

This section identifies the status of prior - year findings related to the general - purpose financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, US OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR - YEAR FINDINGS**

NONE